

4 'New Japans' Waiting in Wings to Pose a Fresh Economic Challenge to West

By Steve Lohr
New York Times Service

TOKYO — Although the attention of the Western world has largely been attracted by the unassimilable success of Japan, first in basic industries and increasingly in high technology, East Asian experts warn that Japan is simply the leading edge of a far broader economic challenge on the horizon.

That challenge centers on the growing economic might of the four "new Japans" — Taiwan, South Korea, Hong Kong and Singapore — all of which are moving out of such labor-intensive industries as textiles, footwear and mundane electronics items into higher-technology industries.

These states have modeled their industrial development policies after those of Japan. As

Lee Kuan Yew, prime minister of Singapore, put it: "The Japanese have got it right."

The inherent strengths of the five nations combined have led one of the believers in the area's future, Mike Mansfield, the U.S. ambassador to Japan, to predict that the world is entering "the century of the Pacific," with far-reaching economic and strategic implications for the United States.

Lively Debate

Whether the economic success of East Asia is a threat to Western industry, an example from which to learn or an opportunity for well-positioned multinational corporations is a subject of lively debate.

The threat is evident. If the United States and West European nations cannot meet the East Asian challenge, it will mean further de-

terioration of the industrial strength of the West and, most likely, heightened trade tensions.

The challenge is based on an old formula. East Asian nations have scant natural resources and generally rely on exports to fuel economic growth. The United States, East Asia's leading trading partner, is principally a supplier of raw materials to East Asia.

Some trade specialists say that as these countries increasingly export more-sophisticated manufactured products, the United States is in danger of becoming an "economic colony" of East Asia, supplying raw materials and providing a market for profitable finished products.

"Over time we may come to think of ourselves as the agricultural hinterland to the East Asian industrial centers, a mere appendage to

the world economic heartland as it shifts westward across the Pacific basin," said Roy M. Hofheinz Jr., a former Harvard professor who is now a consultant, and Kent E. Calder, an instructor at Harvard, in a new book, "The East Asia Edge."

Dominance Feared

If current trends accelerate, it is feared, East Asian exporters will further penetrate the American market and dictate the terms of competition worldwide.

As Akio Mikuni, a financial consultant to many Japanese companies, observed, "Japan is now the global price-setter in autos, electronics and some semiconductor products; this is an epoch-making change that reflects the shift of competitive advantage toward Japan."

The strategic implications of the threat to

the industrial might of the United States are also unsettling, especially in light of the present U.S. military buildup.

"You have to have a strong industrial base to pay for those fighter planes and missiles and so on," said Clyde Prestowitz, U.S. deputy assistant secretary of commerce for international economic policy. In addition, Reagan administration officials have warned of the potential threat of becoming dependent on a foreign supplier for key high-technology weapons parts.

Whatever it means for the United States, the competitive pressure in East Asia is increasing, felt in Japan.

During the 1970s, the economies of rapidly industrializing Taiwan, South Korea, Hong Kong and Singapore grew at an average annual rate of more than 9 percent, while Japan

Albania	5,500 Dls.	Israel	15,200 Dls.	Norway	5,000 N.L.
Austria	17.5	Iraq	1000 Dls.	Iran	3,700 Dls.
Bahrain	6,600 Dls.	Italy	450 Dls.	Portugal	45 Dls.
Belgium	33 B.F.	Kenya	500 Dls.	Qatar	4,500 Dls.
Canada	C\$1.00	Kuwait	500 Fa	Repub. of Ireland	50 Dls.
Cyprus	100 D.L.	Lebanon	1,000 Dls.	South Africa	1,000 Dls.
Denmark	4,000 D.L.	Liberia	1,000 Dls.	Sudan	80 Dls.
Egypt	10 P.	Liberia	1,000 Dls.	Tunisia	5,000 S.D.
Finland	5,000 F.P.	Liberia	1,000 Dls.	United Kingdom	1,700 Dls.
France	4,500 F.	Malta	100 Dls.	United States	8,500 Dls.
Germany	2,000 D.M.	Morocco	25 Dls.	U.S.S.R.	12,000 Dls.
Great Britain	1,500 P.	Peru	25 Dls.	Yugoslavia	1,800 Dls.
Greece	45 Dls.	Netherlands	2,250 P.L.	Yugoslavia	35 Dls.
Iraq	125 Dls.	Yugoslavia	170 K.		

posted a yearly growth rate of 6 percent. For the United States, the rate was just 3 percent.

To be sure, growth has slowed for the East Asian economies during the current worldwide recession. But most economists expect that once the world picture brightens a bit, the East Asian economies will bounce back with a vengeance.

They predict that in the 1980s, Taiwan, South Korea, Hong Kong and Singapore will increase the size of their economies by 7 percent to 9 percent a year while Japan's more mature economy shows annual gains of 4 percent.

"Over the next couple of decades you will probably see more economic growth in this region than in the whole rest of the world," Clay-

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U.S. Firm Obeys France's Order To Deliver Soviet Pipeline Parts

Compiled by Our Staff From Dispatches
WASHINGTON — Dresser Industries of Dallas bowed Tuesday to a French government order forcing its subsidiary to deliver 21 U.S.-designed gas compressors for the Soviet trans-Siberian pipeline.

Dresser asked the U.S. District Court in Washington to block Commerce Secretary Malcolm Baldrige and other government officials from penalizing the company for delivering the compressors, but the court Tuesday denied the company's request.

Judge Thomas Flannery, in refusing to issue a temporary restraining order, said Dresser failed to show "irreparable damage" would result if the order were not issued.

After a French government order was issued Monday, Dresser-France, the 800-employee subsidiary of the U.S. firm, sent three completed compressors into Le Havre's port to be loaded aboard a waiting French-owned freighter.

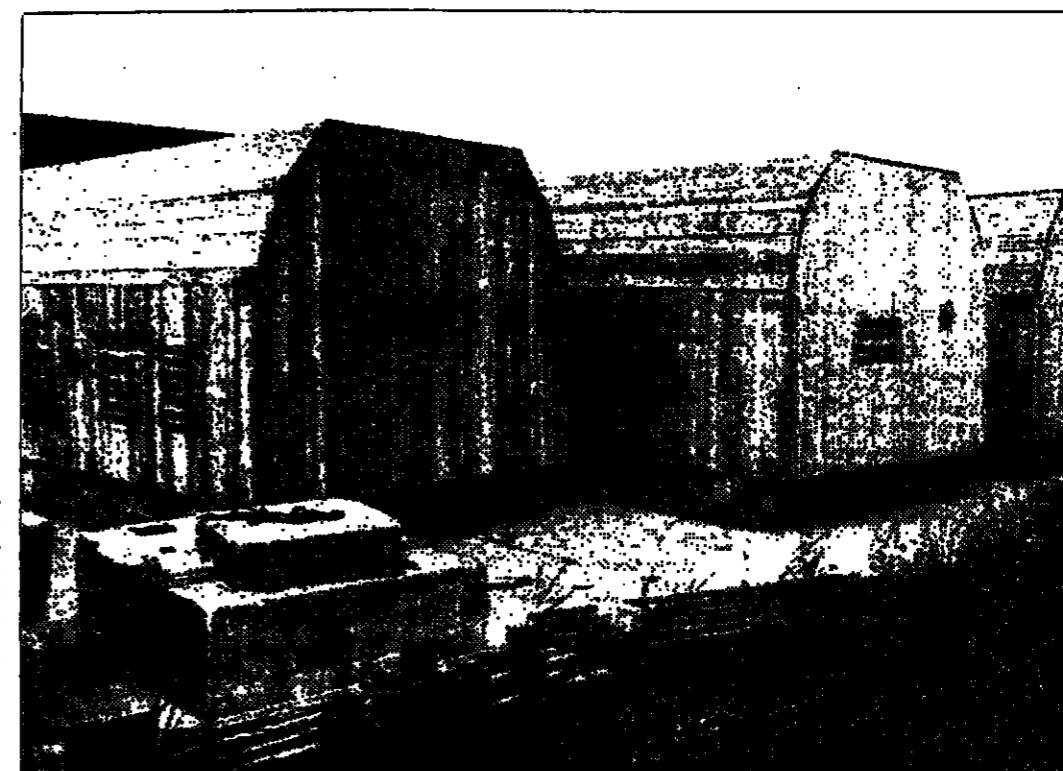
The ship is to sail for Riga, capital of Soviet Latvia, early Thursday.

Secretary of State George P. Shultz met Tuesday with top Treasury and Commerce Department officials to consider the next U.S. move in the escalating conflict with France over President Reagan's ban on the use of U.S. equipment in the Soviet pipeline to Western Europe.

No statement was issued after the meeting.

In California, where Mr. Reagan is vacationing, Larry M. Speakes, the White House deputy press secretary, said the group meeting in Washington would send recommendations to the president as quickly as possible.

Asked about Dresser's move in court, Art Brill, a Justice Department spokesman, said, "We are going to vigorously oppose the request for a temporary restraining



Three compressors made by a French subsidiary of a U.S. company for the Soviet gas pipeline to Europe stood on a Le Havre dock Tuesday waiting to be loaded onto a French-owned freighter. (United Press International)

order and we are going to implement the president's policy."

The U.S. government has the power to fine U.S. firms for violating embargoes, but France's move to take charge of the shipments complicates the situation.

A U.S. official, who asked not to be identified, told The Associated Press, "Lawyers know how to take action against a company which violates a U.S. regulation, but they are not in agreement how to deal with another government compelling a firm to violate an embargo."

In Dallas, Ed Luter, senior vice president for Dresser, said Tuesday his company was caught "between a rock and a hard place" and he hoped the U.S. government would not take any action against Dresser.

Dresser complied with the presidential order when it was imposed, and ordered Dresser-France to discontinue work on the compressors, he said.

■ **Bonn Encourages Defense**

Reuters reported Tuesday from Bonn that Chancellor Helmut

Schmidt's government had sent formal letters of encouragement to West German firms to go ahead with deliveries for the pipeline, according to an Economics Ministry spokesman.

The letters went to several companies, including AEG-Kanis, which is under contract to supply turbines for the project.

But the government underlined that, unlike France and Britain, it had no legal instruments for making companies ignore the sanctions.



President-elect Bashir Gemayel, right, is congratulated by President Elias Sarkis at the presidential palace in Baabda. (United Press International)

Kissinger Creates Firm Of All-Star Consultants

By Don Oberdorfer
Washington Post Service

WASHINGTON — Henry A. Kissinger has lined up a team of diplomatic and economic superstars, including Lord Carrington, the former British foreign secretary, to support Kissinger Associates Inc., an international consulting firm that is offering its services to blue-chip clients.

The Kissinger firm, for an annual retainer reported in economic circles to be \$250,000, plans to provide "strategic planning" advice to a few large corporate clients.

Mr. Kissinger is chairman of the firm, which was formed last month. Its president is Brent Scowcroft, who succeeded Mr. Kissinger in November, 1975, as White House national security adviser to President Gerald R. Ford.

Close Consultation

Mr. Scowcroft, a retired general, said Monday that the firm plans to supply expert advice on making international business decisions. He said it expects to work more closely with its clients than risk-assessment groups, which advise firms on the political and financial policies of foreign nations.

Some clients have already been signed up for the service, according to Mr. Scowcroft, but he declined to name them or to disclose the fees.

Among the members of the board of directors of Kissinger Associates, according to Mr. Scowcroft, are:

• Lord Carrington, who resigned as Britain's foreign secretary in April after the Argentine invasion of the Falkland Islands.

• Robert O. Anderson, chairman of Atlantic Richfield Co.

• Pehr Gyllenhammar, chief executive of Volvo, the Swedish automobile manufacturing firm.

• William D. Rogers, who served as assistant secretary of state for Latin American affairs and undersecretary of state for economic affairs while Mr. Kissinger was secretary of state. Mr. Rogers is now an attorney in Washington.

Mr. Scowcroft said that Kissinger Associates, with offices in

New York and Washington, will have staff of about eight persons.

Jeff Cunningham, formerly with a firm affiliated with Chase Manhattan Bank in the Eurocurrency market, is to be its secretary, according to Mr. Scowcroft.

Mr. Kissinger, since leaving office as secretary of state in early 1977, has served on the international advisory committee of Chase and of Goldman Sachs, a New York investment firm, as well as advising other business ventures.

He has also been affiliated with Georgetown University's Center of Strategic and International Studies and has written two volumes of memoirs of his government service.

Mr. Kissinger was among the first persons to be consulted by George P. Shultz after Mr. Shultz was named secretary of state by President Reagan in late June. Mr. Shultz was called in to advise Mr. Shultz on the Middle East and subsequently joined Mr. Shultz, Chancellor Helmut Schmidt of West Germany and Prime Minister Lee Kuan Yew of Singapore at Mr. Shultz's home in California.

At a news conference last Friday, Mr. Shultz called Mr. Kissinger a "wonderful person and a great friend" with "tremendous comprehension of what is going on." He said he expects to "continue to benefit" from Mr. Kissinger's advice.

U.S. Judge Signs Accord On Breakup of AT&T

The Associated Press

WASHINGTON — A federal judge Tuesday signed an antitrust settlement requiring the breakup of American Telephone & Telegraph Co., closing an eight-year legal battle.

U.S. District Court Judge Harold H. Greene signed the agreement between the Justice Department and AT&T around 5 p.m., giving it the force of law. Judge Greene acted less than two hours after AT&T and Justice Department attorneys filed the final version of the settlement, incorporating a series of conditions that the judge laid down Aug. 11.

■ **INSIGHTS:** John Danton, chief of The New York Times' Warsaw bureau, recalls the last three years of turmoil and analyzes the Soviet crackdown.

■ The government of Zimbabwe claims that three men killed near the South African border were part of a destabilization effort.

■ An army of migrant laborers have left India's farms and villages and converged on New Delhi in search of economic security and a better life.

■ Losses in the hundreds of millions of dollars have been incurred by U.S. citizens who invested in Mexican financial instruments, attracted by high interest rates and by confidence.

■ Officials Vow to Honor Treaty With Israel, but Insist on U.S. Recognition of Palestinian Right to Self-Determination

By William E. Farrell
New York Times Service

CAIRO — On April 25, when Israel, honoring the terms of the Camp David peace treaty, returned the last of the Sinai Peninsula to Egypt, the Egyptian government let a doubtless Arab world know in exultant terms that diplomacy had worked where military actions had not.

A senior Egyptian official said, "We were able to assure Arab countries that you could sit around a table and talk with the Israelis that there was hope."

"Our hope was that the Sinai withdrawal would be a building block."

The official, who did not wish to be identified, said that all such hopes dissipated June 6 when Israel invaded Lebanon.

"That adventure destroyed five years of work," he said.

"Because of this aggression we are back to square one on the whole process of peace in the Middle East."

For the Egyptians, the only Arab nation to sign a peace treaty with Israel, an action that caused them to be ostracized by most of the other Arabs, the Lebanese invasion has forced the government of President Hosni Mubarak into painful gyrations.

Egypt has been forced to distance itself publicly from its chief provider of military and economic aid, the United States, while, at the same time, it has casti-

gated Israel just short of abrogating the peace treaty.

The Egyptian official said, "We won't abrogate the treaty. It is a point of honor and we won't go back on it."

Mubarak "Damaged"

But he did not minimize the bitterness the Israeli invasion had provoked.

Another official, who has access to the president, said in a separate interview that Mr. Mubarak suffered "a lot of damage" in the ruling National Democratic Party, but that so far he was withholding pressure to dismiss the Israeli official.

But there is concern, the official said, that the invasion will provide fuel in Egypt for Moslem fundamentalists of the stripe who condoned the assassination of Anwar Sadat in October.

The first official echoed this concern, saying the potential for exploiting the invasion to criticize the peace treaty with Israel sent shudders through Egyptian officials.

Both officials said that, now that the withdrawal from West Beirut was under way, the United States must alter its policy toward the Palestine Liberation Organization and had a prime opportunity to recognize "the right to self-determination of the Palestinians."

A major shift in U.S. policy is needed, the senior

official said, because "we need this kind of political victory to reinforce the Palestinian position and our position and that of the moderate Arab countries."

"We are being told by other Arabs — negotiate?"

For what? After what has happened how can you still talk about coexistence or dialogue with the Israelis?"

President Mubarak discusses what it will take to

Israel Says Poor Oversight Allows Palestinians to Violate Beirut Pact

By James Feron

New York Times Service

JERUSALEM — Israel is complaining that Palestinian guerrillas leaving Beirut are being allowed to violate a carefully negotiated evacuation plan through improper supervision.

Officials in Jerusalem said Monday that there was no apparent registration of the evacuees, that they were departing with weapons and equipment they should be leaving behind and that women and children disguised as men were among those departing.

Israeli officials indicated that they were unwilling to make a major issue of the violations because to do so would undermine their principal objective of seeing that the guerrillas left Lebanon for other Arab countries.

As a result, the Israelis have muted their criticism of French and Lebanese soldiers, charged with supervising the evacuation, and of Philip C. Habib, the American negotiator, who permitted 20 jeeps to be loaded aboard an evacuation ship Sunday with 1,000 guerrillas bound for Cyprus.

Common Objective

This apparent unwillingness to do anything to interfere with the evacuation plan also has seemingly prompted military leaders to refrain from responding vigorously to repeated violations by Syrian or Palestinian forces in the Bekaa Valley in eastern Lebanon.

"We're all interested — Mr. Ha-

bib, the Lebanese, the Israelis — in getting the PLO out," a ranking Israeli government official said, referring to the Palestine Liberation Organization. "and it's not a question of whether there are violations, but what are we going to do about it?"

The answer, in the view of most Israelis, is very little. At Beirut's port, the Israelis complain each day to Mr. Habib. On Sunday they sought briefly to block the Cypriot ship from leaving. But the evacuation has continued, with checking procedures seemingly ignored in Washington.

"In the first place, we're still in a state of war and justified, we believe, to take such action," an official said. "The Americans only have to recall Cuba and Vietnam to know that blockades sometimes are called for. Second, we agreed to a detailed plan that leaves no room for jeeps to go with the route of the confronting arms."

The Israelis say they have also seen women and children climbing aboard the ship disguised as men wearing kaffiyehs, or Arab head-dresses. According to the evacuation plan, families of guerrillas are permitted to leave, "but not in disguise to confuse the numbers."

But the Israelis have been able to watch the departure of the Palestinians at least with binoculars, and evidently have not liked what they have seen, from the tardy arrival of the Lebanese the first day — they were said to have overslept — to efforts Monday by guerrillas to take unauthorized weapons, such as rocket launchers.

On Sunday, in a move criticized by the U.S. defense secretary, Caspar W. Weinberger, Israeli gunboats blocked the port for six hours when it was discovered that Palestinians had loaded jeeps aboard the ferry leaving for Cyprus.

An Israeli official said Monday that the blockade was lifted "only in this case" after a request from a "high American official." Jerusalem expressed surprise and annoyance at the action from Washington.

Officials here concede that any heavy military response against the Arab units entrenched in eastern Lebanon could spread and disrupt the evacuation because the Beirut-Damascus road, a planned exit route for the final stage of the evacuation, passes through the lines of the confronting arms.

Israel has no direct role in the evacuation, which is being supervised at this stage by the Lebanese Army and some French paratroopers, the first contingent of a multinational force that has agreed to stay only for one month.

The Israelis say they are unaware of the registration of evacuees, which the Habib plan calls for. Such scrutiny may be under way at staging areas in West Beirut, but reporters and other observers of the process in the port have seen no attempts by the French or Lebanese to check names or luggage.



QUARTIER DES HALLES — The vast Parisian development project in the old central market area of the city is nearing completion. The last few buildings — an amphitheater, apartments, a hotel, offices and a cultural center — will be finished by 1984. Work began in 1971.

Syria Convoy Is Canceled, Israelis Say

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sign a peace treaty with Israel within seven months.

Crowds gathered at the Municipal Stadium assembly center near the devastated PLO command headquarters, meanwhile, to watch the fourth contingent of Palestinian guerrillas board trucks for the drive to the Beirut port. Many bystanders gave the fighters a sendoff by wildly shooting in the air.

The 1,000 PLO guerrillas, made up mostly of fighters from the mainstream faction el-Fatah, were bound for North Yemen, on the Arabian Peninsula at the southern end of the Red Sea. More than 3,000 PLO guerrillas have left the city since Saturday for Tunisia, Iraq, Jordan and Southern Yemen.

Marines Reported in Beirut

Sources in Washington told United Press International that a "handful" of U.S. Marines had entered Beirut for a preliminary inspection of the city before the arrival later this week of the remaining members of an 800-man U.S. unit.

The main body from the 32d Marine Amphibious Unit is expected to deploy Thursday from five amphibious ships off the Lebanon coast or by helicopter.

The Marines are under strict orders not to engage in combat and will withdraw along with French and Italian units of the multinational force if there is any breach of the cease-fire or the evacuation agreement. Individual Marines, however, may exercise the right of self-defense if they are fired upon.

In Tel Aviv, Prime Minister Menachem Begin told the Knesset Foreign Affairs Committee on Tuesday that Israeli forces never intended to enter West Beirut. Israeli radio quoted Mr. Begin as having told the closed meeting that the PLO would not have been pressured into leaving the city if Israel's position had been made public.

Israeli radio also announced that Defense Minister Ariel Sharon would meet later this week in Washington with Secretary of State George P. Shultz.

Russian Foresees No Need at Once For U.S. Grains

Reuters

MOSCOW — The extension for another year of the long-term U.S.-Soviet grain agreement does not mean that Moscow will resume grain purchases immediately, the president of the state grain-importing agency said Tuesday.

Victor Pershin of Exportkheb, asked to comment on the decision, which was revealed in Washington Friday, said, "The extension of the agreement does not mean that we will be rushing into buying."

Under the extension, the United States would guarantee shipments of 6 million to 8 million tons of wheat and corn over the 12-month period starting Oct. 1.



Two women PLO guerrillas, with their weapons, waited Tuesday to be taken to Beirut's port for evacuation to North Yemen.

Arabs Foresee Strife After Lebanese Vote

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southern Lebanon and then during the invasion.

■ U.S. Officials Optimistic

Bernard Gwertzman of The New York Times reported from Washington.

Officials of the Reagan administration regard Mr. Gemayel's election as a positive development because it could facilitate the evacuation of Syrian and Israeli troops from Lebanon.

The view Monday in Washington was that Mr. Gemayel can be expected to give priority to asking the Syrians to leave the Bekaa Valley, where 30,000 troops are believed to be garrisoned.

Mr. Gemayel's close ties with Israel should also make it easier to bring about the withdrawal of the Israeli officials said.

President Reagan, vacationing in California, sent a congratulatory message to Mr. Gemayel within hours of his election. The White House said that the United States would "work closely with the new government in the complex and difficult task ahead."

The White House said that the election "holds out the possibility of strengthening the central government of Lebanon," which is one of the priorities stated by Mr. Reagan on Friday, along with bringing about the withdrawal of all foreign troops from Lebanon.

Mr. Gemayel's visit to Tel Aviv was during the first days of Israel's invasion of Lebanon in June, when he offered to deploy the Phalange forces under his command in coordination with the advancing Israelis. It said Mr. Gemayel backed out of his offer, fearing that opening an offensive against the PLO and the Syrian forces would destroy his chances for the presidency.

and making progress on the Palestinian question.

The satisfaction with Mr. Gemayel's election, however, underscored a debate going on within the administration on how much attention to focus on bringing about the rapid withdrawal of Syrian and Israeli forces from Lebanon and how much on the longer-standing problem of finding solutions to the Palestinian problem.

Some administration officials believe that priority must be given to strengthening the Lebanese government and using utmost influence on Syria and Israel to withdraw. One official said that Mr. Gemayel "won't compromise" the Syrians out, and the Syrians know that."

■ Peace Hope Reported

An Israeli newspaper reported in Tel Aviv that Mr. Gemayel, a few days before his election, told Israeli officials that he hoped to sign a peace treaty with them within seven months, according to The Associated Press.

Israel warmly welcomed the election of its longtime Lebanese ally Monday, and the newspapers Ma'ariv and Davar reported that he had been a regular secret visitor in Israel since 1976.

Davar said that his latest visit to Tel Aviv was during the first days of Israel's invasion of Lebanon in June, when he offered to deploy the Phalange forces under his command in coordination with the advancing Israelis. It said Mr. Gemayel backed out of his offer, fearing that opening an offensive against the PLO and the Syrian forces would destroy his chances for the presidency.

Pole Says Protests Will Be Broken

The Associated Press

WARSAW — Gen. Wojciech Jaruzelski, the Polish martial law leader, warned in a speech to factory directors that opposition activities "must be broken," the Communist Party newspaper Trybuna Ludu reported Tuesday.

"Brawlers have no chances," Gen. Jaruzelski was quoted as telling leaders from more than 200 factories on Monday.

The warning from Gen. Jaruzelski, who declared martial law Dec. 13 and suspended the independent labor movement Solidarity, was issued amid growing government criticism of the union's underground and new attacks on Western "slander."

Party and government leaders appear to be strongly worried about possible protests called for by underground Solidarity leaders

Conservative Group In Catholic Church Gets Own Prelate

Reuters

VATICAN CITY — Pope John Paul II has given a significant boost to the power and prestige of Opus Dei, one of the Roman Catholic Church's most influential and conservative lay organizations, by giving it its own prelate.

Opus Dei, which means "Work of God," has many critics among progressive Catholics who recall its origins in Spain and its influential role under Franco. Vatican sources said the movement has acquired increasing influence in the church government under Pope John Paul.

Monday's announcement by the Vatican means that the 72,000-member group will have more independent control over its 1,000 priest members because it will no longer have to rely for support on the political leanings of the local hierarchy. Vatican sources said this could have far-reaching implications for the church in areas where Opus Dei is traditionally strong, like Latin America.

The new prelate is expected to be the group's leader, Spanish Don Alvaro del Portillo, Vatican sources said.

next Tuesday, the second anniversary of the first independent union in the Soviet bloc.

The government has already said several times it will deal forcefully with any protests.

It also called diplomats at embassies of the United States, France, Britain and West Germany during the past week to protest "subversion" in Western radio broadcasts to Poland, state-run media reported Monday.

Gen. Jaruzelski was quoted as telling the factory leaders, "The main target is speeding up getting out of the crisis with the lowest possible political and social costs. Successive attempts to undermine social peace, which could occur, must be broken."

Polish leaders have grown increasingly angry in the past week after a series of demonstrations and protests that were broken up by police.

Rioting erupted in Gdansk on Aug. 13, and police using water cannons dispersed crowds in Warsaw, Krakow and Wroclaw during

gatherings marking the eighth month of martial law.

Tough new warnings by the authorities followed an unexpected visit by Gen. Jaruzelski to Soviet President Leonid I. Brezhnev last week.

In Monday's account of Poland's warning to foreign diplomats, the state-run news agency PAP said they were summoned and told shortwave broadcasts by the Voice of America, Radio Free Europe, the British Broadcasting Corp., Radio France International and other Western stations were "slanderizing the Polish state authorities, breaking activity of illegal groups and broadcasting untrue news and commentaries."

U.S. and British officials said the protest was made last Friday.

PAP said, "The Polish Foreign Ministry demanded the stopping of this kind of activity and reserved for itself the right to adopt appropriate measures."

It added that protests might be filed with "appropriate international organizations."

4 'New Japan' Waiting To Challenge the West

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ton Yettner, former deputy U.S. trade representative and now president of the Chicago Mercantile Exchange, said during a recent visit to Tokyo, "East Asia is the place for American business to make real efforts."

No Easy Transition

At present, East Asian countries other than Japan are top-flight producers of steel, ships, offshore oil rigs and black and white television sets. But the transition into more sophisticated industries, including autos, semiconductors and computers, will not be easy.

For one thing, as they upgrade their economies, they begin to nip at the heels of Japan. And while the Japanese economy is no longer so dependent on such basic industries as shipbuilding and steel, it is the world leader in these fields, and it is not abandoning them.

Furthermore, whereas Japan has a century-long history of industrialization, Taiwan and South Korea were agrarian societies until the 1950s and suffered under decades of Japanese colonial rule. For their part, Hong Kong and Singapore are small island city-states that are mainly trading and service centers. These differences raise questions about whether, or in what form, the "new Japan" can in fact emulate Japan.

"It may not fit into any economic model," said Eric W. Hayder, chief economist of the Bank of America's Asia division, "but the Confucian ethic gives these governments an enormous advantage."

industries will be a slow uphill climb; still, they will be strong competitors in world markets."

Each of the four industrializing areas of East Asia has its own mix of economic policies, shaped by different historical, political and geographical forces. Each, too, has its own elements of uncertainty.

However, there are common features in the political economies of these nations, plus Japan:

- Government policies that promote savings and investment, rather than consumption.
- Control of economic policy-making by an elite corps of bureaucrats.
- Relatively equitable distribution of income among the population.

- Control of some key sectors of the economy by large corporations or industrial groups that are unfettered by American-style antitrust laws.

- An emphasis on educational programs to train skilled workers.

- Political control by a single party, which provides stability for long-term economic planning.

In addition, observers cite the shared Confucian tradition of East Asia, with its emphasis on industriousness, thrift and knowing one's place, as a force that ensures social discipline.

"It may not fit into any economic model," said Eric W. Hayder, chief economist of the Bank of America's Asia division, "but the Confucian ethic gives these governments an enormous advantage."

WORLD BRIEFS

32 Arrested in Northern Ireland City

LONDONDERRY, Northern Ireland. — Police and British troops made 32 arrests just before dawn Tuesday in Roman Catholic areas of Londonderry, in connection with "murder and other serious crime," police said.

They declined to list specific crimes or if any of those detained were suspected Irish Republican Army members. Sime Fein, the legal wing of the outlawed IRA, said most of those detained were "republicans" — Catholics seeking to end British rule in Northern Ireland.

The suspects can be held for seven days without charges under the Prevention of Terrorism Act. The arrests followed the murders of three policemen, three British soldiers, one Ulster Defense Regiment member and one civilian in the Londonderry area since March. Most of those killed were Protestants.

Record Unemployment in Britain

LONDON — Unemployment in Britain rose this month to a record of 3,292,702, or 13.8 percent of the workforce, the government announced Tuesday.

The rising number of jobless, 100,000 more than in July, brought renewed criticism from opposition politicians and calls for action to stimulate the economy.

The number of unemployed is proving to be an embarrassment to Prime Minister Margaret Thatcher, whose Conservative Party fought the 1979 election on the slogan "Labor Isn't Working." Unemployment then stood at 1,390,000.

Argentine Economy Minister Resigns

Buenos Aires — José María Dagnino Pastore resigned Tuesday after 54 days as minister of the economy in an apparent dispute with the military government over planned wage hikes and other economic policies.

Mr. Dagnino Pastore took office on July 1. He shifted the Argentine economic program from the free market policies instituted by former Economy Minister José Martínez de Rozas in the late 1970s.

Under the new program, Mr. Dagnino Pastore let the U.S. dollar float against the peso, causing the dollar to increase in value from 13,400 pesos in July to a current rate of about 60,000 pesos.

300 Khmer Rouge Back in Cambodia

BANGKOK — Three-hundred guerrillas who defected from the Khmer Rouge and entered Thailand last week have returned to Cambodia to join resistance forces loyal to Prince Norodom Sihanouk, military sources said Tuesday.

Reaction to War Plan Irks Weinberger

In Interviews and Speeches, He Responds to Critics of New Nuclear Strategy

By Richard Halloran

New York Times Service
WASHINGTON — For the past 10 weeks little seems to have disturbed Secretary of Defense Caspar W. Weinberger so much as news reports, repeated questions and continuing criticism of his strategy for protracted nuclear war.

In speeches, press and television interviews, letters to editors, background briefings and private conversations Mr. Weinberger has vigorously contended that the strategy has been misunderstood and taken out of context.

With unveiled irritation, he has also asserted that disclosure of the strategy, set forth in a Pentagon document that he signed, has given telling ammunition to advocates of a freeze on nuclear weapons, unilateral disarmament and accommodation with the Soviet Union.

Turmoil over the nuclear strategy has become so unsettling in Western Europe, administration officials say, that Mr. Weinberger has asked Richard N. Perle, assistant secretary for international security policy, to try to restore calm on a forthcoming trip to European capitals.

In his office the other day, Mr. Weinberger said that the issue had

consumed much of his attention since the first news report appeared in late May. "We've spent a very large fraction of our time," he said, "trying to assure people that we aren't going around here trying to plan how to keep the war going for several years."

Accounts of the strategy sound "as if we were sitting around here plotting how to play a long nuclear war," he said. "We aren't planning to fight any war, if we can avoid it. We're planning to deter war."

Mr. Weinberger said the disclosure that U.S. nuclear forces had been ordered to "prevail" had caused much commotion. "I've been to several meetings at which the word 'prevail' has been hurled at me with great venom by some fellow, usually in the back of the room," he said.

"What does he want?" Mr. Weinberger said. "Does he want us not to prevail? You show me a secretary of defense who's planning not to prevail and I'll show you a secretary of defense who ought to be impeached."

The issue of protracted nuclear war arose from disclosure of the classified five-year plan called Defense Guidance that is intended to provide strategic direction to the military services. The document

provided the military content for a wider foreign policy study in the White House and laid out a military strategy ranging from guerrilla warfare through conventional conflict to nuclear war.

The guidance document said that in a confrontation with the Soviet Union, the United States would seek to prevail at the lowest possible level of conflict. But it said that if conventional weapons were "insufficient to insure a satisfactory termination of war," the United States will prepare options for the use of nuclear weapons.

Administration officials have said publicly that the United States must retain the option of using nuclear weapons first, if that became necessary. Otherwise, they have contended, the Soviet Union might have an advantage in conventional weapons.

A key order in the guidance paper said, "The primary role of United States strategic nuclear forces is deterrence of nuclear attack on the United States, its forces and its allies. Should such an attack nevertheless occur, United States nuclear capabilities must prevail even under the condition of a prolonged war."

If deterrence should fail, the document said, the United States must have communications "capable of supporting controlled nuclear attacks on associated control facilities nuclear and conventional military forces and industry critical to military power." Included would be attacks on Soviet nuclear forces to limit "damage to the United States and its allies to the maximum extent possible."

Specialists on nuclear war have said the most important element in a nuclear exchange would be to retain means of communications.

Only that way could missile, bomber and submarine crews be directed when and what to attack. Defense Guidance, reflecting that thought, said the United States must have communications "capable of supporting controlled nuclear attacks on associated control facilities nuclear and conventional military forces and industry critical to military power."

Finally, Defense Guidance said the United States must "maintain in reserve, under all circumstances, nuclear offensive capabilities so that the United States would never emerge from a nuclear war without nuclear weapons while still threatening by enemy nuclear forces."



Anti-Kennedy Mail Prompts Probe

Senate Panel Asks if Postcard Campaign Involved Fraud

By Paul Taylor
Washington Post Service

WASHINGTON — The Senate Ethics Committee, which has been deluged with 60,000 postcards calling for an "emergency investigation" of Sen. Edward M. Kennedy's conduct at Chappaquiddick, indeed wants an investigation — of the conservative group that orchestrated the mail campaign.

The committee's Republican chairman, Malcolm Wallop of Wyoming, and its ranking Democrat, Howell T. Heflin of Alabama, sent a letter to the U.S. Postal Service last week asking to be informed of any mail fraud violations by the United States Justice Foundation, a Southern California group that launched the drive against the Massachusetts Democrat this spring.

A spokesman for the Postal Service said Monday that a preliminary mail fraud investigation, based on complaints from people who received the mailing, has begun.

Gary C. Kreep, an Escondido, Calif., lawyer who directs the foundation, said Monday that he was "stunned and baffled" that anyone would be investigating his mailing. He added that he had "absolutely no intention to defraud anyone."

The letter in question is a four-

page solicitation for funds and postcards. It has been sent over the past four months to 600,000 people on various conservative direct-mail lists.

The letter recounts the events of the night of July 18, 1969, when Mary Jo Kopechne, who had worked in the 1968 presidential campaign of the late Robert F. Kennedy, drowned when a car driven by Edward Kennedy went off a bridge on Chappaquiddick Island in Martha's Vineyard, Mass. The senator did not report the accident for eight hours.

The letter reveals no new facts.

N.Y. Youth Left to Die After Subway Shooting

The Associated Press

NEW YORK — A young man who was shot on a crowded afternoon subway train was left to die as he lay bleeding on the floor, police said.

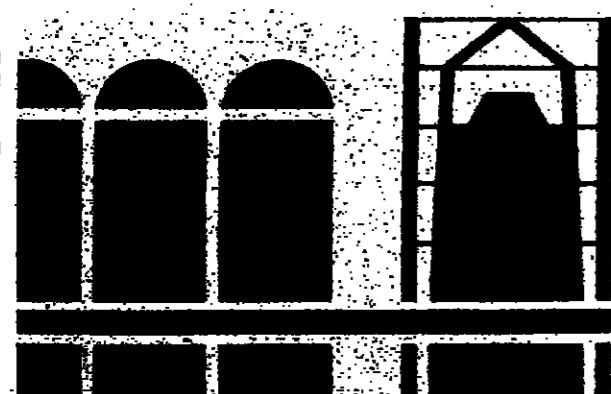
Shimon Kutchera, 15, of the Bronx, was found in the last car of the subway Monday afternoon with a bullet in his chest after he was shot by a bandit who stole his radio. A conductor told police that a crowd of people ran from the car at the Burke Avenue station in the Bronx as the youth lay bleeding to death inside.

This letter was combusted over by 12 lawyers before it went out," said Bruce W. Eberle, whose Vienna, Va., direct-mail firm is handling the foundation's account. "There's no problem with it. The whole thing is much ado about nothing."

Mr. Eberle, who ranks just behind Richard Vigerie as the nation's largest conservative direct-mail fund-raiser, said the letter went out this spring because "Kennedy is up for re-election and he is always a good target for conservatives." Mr. Kreep denied a political motive.

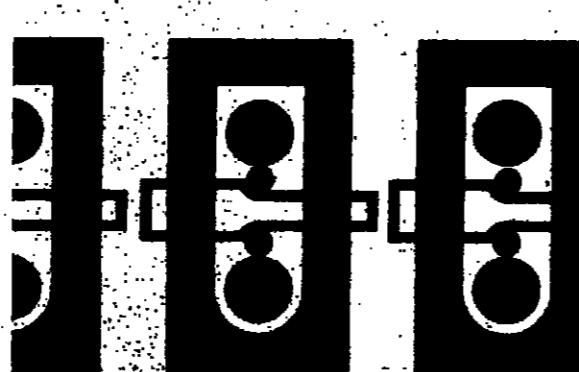
MANNESMANN DEMAG

Machinery, Plant and Systems



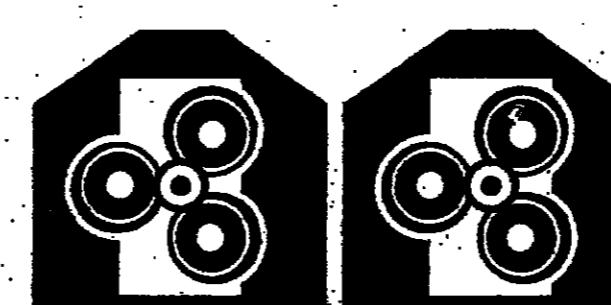
Metallurgical Plant

Integrated plant, blast furnaces, steel mills, continuous casters, electrometallurgical plant.



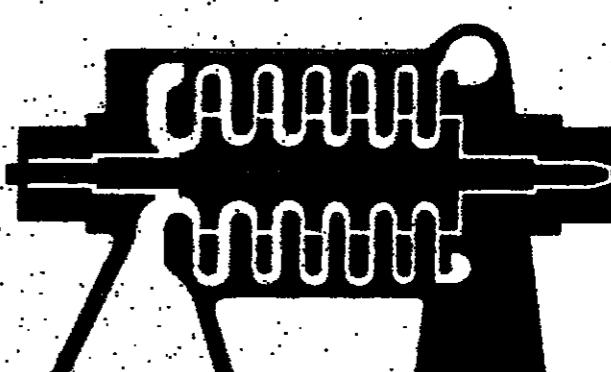
Rolling Mills

Rolling mills for beams, sections and wire-rod, strip and sheet mills, strip processing lines.



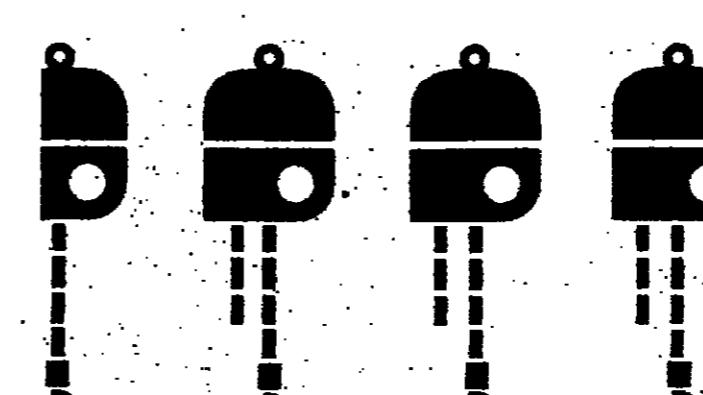
Pipe Making

Plant and machinery for the production of seamless and welded tubes and pipes. Hydraulic presses.



Compressors

Centrifugal compressors and positive displacement machines for air and technical gases.



Components

Electric lifting tackle, standard crane components, load lifting attachments, drive and control components.



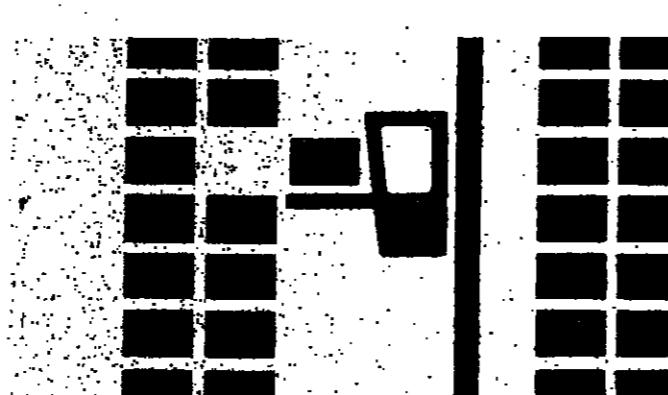
Plastics Machinery

Machinery and complete systems for injection moulding and extrusion.



Cranes

Overhead cranes, slewing cranes and jibs, suspension cranes and track systems, and steel mills.



Distribution Systems

Materials handling and warehousing systems, continuous handling equipment, order pickers and rack feeders.



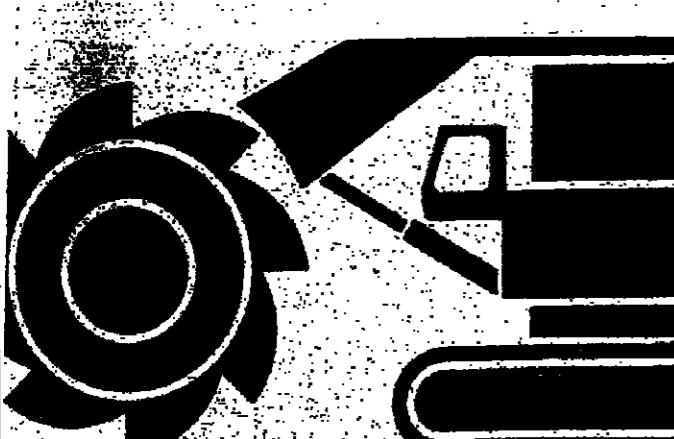
Mining Equipment

Shaft winding equipment, tunnelling machines for hard and soft rock. Compressed air motors.



Construction Equipment

Hydraulic excavators up to 270t, mobile cranes up to 800t, road finishers up to 12m.



Bulk Handling

Bucket-wheel excavators, reclaimers and belt conveyor systems, container handling systems.

Pneumatic Systems

Compressors, pneumatic tools, equipment and components for the building trade and industry in general.

3 Whites Slain in Zimbabwe Cited As Evidence of Pretoria's Hostility

By Alan Cowell
New York Times Service

HARARE, Zimbabwe — In a hospital mortuary here lie the cadavers of three white men, dressed in motley military uniforms and killed in a skirmish with Zimbabwean troops Aug. 18.

The facility where the bodies were taken, once called Andrew Fleming Hospital, is now known as Parirenyawera, after a black nationalist hero, and the city is Harare, not Salisbury, as it used to be.

The changes of name are tokens of the political reversal that has occurred here since white-ruled Rhodesia became Zimbabwe, Africa's newest black-ruled independent nation, in April, 1980, an event that ended 90 years of minority rule.

Bodies Are Evidence

But the bodies are themselves evidence that the change has not gone unchallenged, either by those who fought to prevent black rule or, in the view of Prime Minister Robert Mugabe, by the government of South Africa, the white-ruled economic and military power that borders his country to the south.

Mr. Mugabe has frequently asserted that the Pretoria regime is set to disrupt Zimbabwe to prevent it from serving as a model of peaceful black rule that would tend to discredit South Africa's policies of racial separation, or apartheid.

But, until the firefight on Wednesday at Sengwe, close to the point where Zimbabwe's borders meet those of Mozambique and South Africa, the government had little concrete evidence to support its charges.

A Pacifist Anglican Cleric Emerges As Leader of South Africa's Blacks

By Allister Sparks
Washington Post Service

JOHANNESBURG — When black Africans clashed with South African police outside Soweto's Regina Mundi Cathedral in June, a huge white policeman beating an elderly black man with a stick suddenly found himself confronted by a small black man in clerical robes who held a cross aloft until the beating stopped.

When a black activist's funeral in the tribal homeland of Ciskei was disrupted late last year when a crowd attacked a suspected police infiltrator, the same black cleric waded into the crowd and flung himself across the victim's body. He persuaded the attackers to back off and returned to the podium, his robes soaked with the dying man's blood, to continue the service.

The man who showed his compassion and courage in both incidents was Bishop Desmond M. Tutu, an Anglican bishop and general secretary of the South African Council of Churches.

With Nelson Mandela imprisoned for life for his role as leader of the banned African National Congress and Chief Gatsha Buthelezi's following based in his own Zulu tribe, Bishop Tutu, 50, is probably the most widely accepted black leader allowed to operate in South Africa today. And his stature is growing abroad as well as at home.

Honorary Degree

This month, Columbia University sent its president halfway around the world to give Bishop Tutu an honorary degree that his government would not let him travel to New York to receive.

As South Africa's racial conflict sharpens with blacks turning increasingly to violence and the white government to tough security measures, Bishop Tutu continues to preach peace and racial conciliation.

He visits and prays with the families of young blacks who have left the country to be trained for the guerrilla forces, and he addresses meetings of white students at Afrikaans universities.

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The three bodies, Mr. Mugabe told diplomats and reporters at a news conference Saturday, demonstrated that South Africa had embarked on a "new stage" in its "program to destabilize Zimbabwe and to invade our country."

Army in Full Strength

Last week, Zimbabwe announced that it had deployed its army "in full strength" along more than 800 miles of frontier stretching from Zambia in the north to South Africa in the south, in an attempt to prevent infiltration by the National Resistance Movement. Zimbabwe is closely allied with the Marxist government in Maputo and has made military agreements with it aimed at containing the resistance movement.

Mr. Mugabe, however, dismissed suggestions that the bodies displayed here were those of members of the anti-government Mozambican forces, saying he did not believe that the National Resistance Movement had whites in its ranks.

The government troops went to intercept them, apparently catching them by surprise. The three whites were killed in the battle and the rest, probably nine others, fled, abandoning an array of Soviet-style weapons, unmarked timed food and medical supplies of South Africa and Irish origin.

The South African Army commander, Gen. Constand Viljoen, said in a statement issued in South Africa that there had been no unauthorized foray by his forces into Zimbabwe and announced that a board of inquiry would be established to investigate the incident.

The denial is not likely to be accepted here, for the incursion fits a strategy adopted by South Africa in recent years of supporting individuals and groups opposed to the governments of neighboring black-ruled nations.

A suggestion heard in South Africa on Monday was that the group intercepted inside Zimbabwe, some 18 miles (29 kilometers) from the Mozambique border, may have



A TOKYO WELCOME — Premier Zenko Suzuki of Japan accompanies Javier Pérez de Cuellar, the United Nations secretary-general, as they review an honor guard during a welcoming ceremony in Tokyo. Mr. Pérez de Cuellar arrived Monday for a six-day visit.

After Delay, U.S. Agency Proposes Tighter Curbs on Lead in Gasoline

By Sandra Sugawara
Washington Post Service

WASHINGTON — After a prolonged behind-the-scenes struggle and a loud public debate, the Environmental Protection Agency has released a proposal to toughen the standards for lead in gasoline.

An assistant EPA administrator, Kathleen Bennett, said Monday that the proposal would "reduce airborne lead by 31 percent more over the next eight years than we would have reduced had we kept the current rules in effect."

The proposal was scheduled to be issued about three weeks ago, but was held up by an eleven-hour dispute with the Office of Management and Budget. A compromise agreed to at a White House meeting last week requires the administration to issue a final rule by Nov. 1, a day before the 1982 elections.

Eric Goldstein of the Natural Resources Defense Council said the EPA package "sounds pretty good, if adopted in its proposed form. EPA is back on the right track."

Christopher DeMuth, the budget office's administrator for information and regulatory affairs, said, "We think this is a terrific program." He said it would improve health protection while eliminating "economic distortions" in the lead program.

Lead is added to gasoline to raise its octane level and can enter the air from car emissions. It is known to cause learning disabilities in children, and children who live in cities where traffic congestion is high are the most frequent victims. A study released by the National Center for Health Statistics last year showed that as many as 18.6 percent of black children in some inner-city areas have dangerous levels of lead in their blood.

The existing standards, developed during the 1970s, were a target of the Presidential Task Force on Regulatory Relief a year ago, and last fall the budget office directed EPA to weaken the standards. EPA, anticipating strong public protests, resisted until February. Then it offered several options, ranging from maintaining the current standards to abolishing the whole regulatory framework.

Environmentalists, members of Congress and a parade of medical

experts immediately attacked the agency's action.

But the new proposal did not please everyone. "This thing started as regulatory reform in the context of giving relief to business," said Urvan Sternfeld, president of the National Petroleum Refiners Association. "This proposal makes the rules more onerous for the most part."

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ARTS / LEISURE

Monkeying With the King James BibleBy Henry Mitchell
*Washington Post Service***NEW YORK** — The fur should start flying nicely soon over Thomas Nelson Co.'s futzing about with the King James Bible.

The publishing house, which specializes in many versions of the Bible, introduced its "New King James Version" earlier this month at a penthouse luncheon in the St. Regis Hotel. A white-haired gentleman arose from his table, fixed a furtive eye on the publishers, and voiced an objection: "To update means to add new facts."

The publishers demurred; they had not had any such gall, but had only got rid of three and thous and archaic words in general.

The King James Version, said the old man, "is a great masterpiece of our tongue. Why not alter Shakespeare, getting rid of his obsolete words? I doubt it's the same, even if the words meant the same."

"I'm glad you brought up Shakespeare," said Arthur L. Farstad, executive editor of the revision. "We would never change Shakespeare. He wrote in English. The Bible is a translation. Suppose we now, as we do, that a Semitic word means 'monkey' but the 1611 translators thought it meant 'peacock.' Well, I was raised on the King James Version and, as it happens, I prefer King Solomon with peacocks to King Solomon with monkeys. But I think we had an obligation to use the correct word."

In fact, the great Authorized Version of 1611, ordered by King James I of England, has already been revised four times, twice in the 17th century and twice in the 19th. And it was "high time to do it again now," Farstad said.



Susan Davis, The Washington Post

a major change but enough to set a few teeth on edge.

"I notice you leave the creation of the world alone," said a guest.

"Not a word changed," Farstad said. "The more famous the passage, the less likely you are to see any difference."

Still, after \$4 million, a host of scholars and seven years of arguing, there are changes. "My cup runneth over," for instance, becomes "My cup runs over" — not

right replacement parts. This seems to be the central argument of those who resist any change in the Authorized Version, which is popularly preferred over all other translations throughout the English-speaking world. Moore said that more than 50 percent of all Bibles sold are the 1611 translation, despite competition from many other versions.

Immodest Vines

But publishers discovered in surveys that there was a strong demand for a Bible that, while retaining the word music of the King James, would be intelligible to "you Miss Jones who is not quite sure what that word and that word means."

"There is a chance for you to go farther out on the limb," a reporter said to Farstad after lunch. "Suppose a reader actually grew up knowing English so that he had no great trouble with things like 'undressed' vines, not supposing the vines had taken their clothes off, but aware the vines had not been pruned and trained. Do you say your book has any merit, beyond helping Miss Jones who has trouble with vines being undressed?"

"Yes," said Farstad, leaping to the challenge. "I mentioned changing 'peacock' to 'monkey' to correct a small error. But take this: St. Paul uses the word 'atonement' in the 1611 Bible. That word has profound and technical meanings. In 1611 it did not mean anything remotely similar to its meaning now. It meant simply 'reconciliation.' So we changed it to 'reconciliation.' The 'New King James Version' is more accurate than the old one in such an important example as this."

"But a thing that astonished us was the scholarship and dedication to accuracy of the 1611 translators. They were better scholars of Hebrew, say, than many biblical scholars who came after them. In only a few cases has their scholarship been improved on."

Moore said: "I know we are going to catch it from the ultraconservatives. But, then, you take your life in your hands when you get up in the morning and cross the street."

Thomas Nelson still publishes the 1611 translation with the first-edition spelling and punctuation. The discovery of this should have made the lunch worthwhile even to the most determined defender of King James. Samplings of a dozen people who had read the new revision produced a consensus that no damage had been done to the literary beauty of the Authorized Version.

By the way, that "monkey" of the monkey-peacock controversy should in fact have probably been translated "baboon," Farstad said privately. But they chickened out.

man are believed to have survived when the 91-gun ship went down. Historians do not know whether the vessel was hit by enemy fire or sank simply because of overcrowding.

In 1967, Alexander McKee, an amateur marine archaeologist, pinpointed the Mary Rose's grave and discovered that, "by a miracle of preservation," the wreck was a priceless museum of Tudor life, perhaps the most important sunken ship ever found.

Already in place over the wreck is a steel frame 117 feet long and 49 feet wide, said Col. Wendell Lewis, director of recovery for the project. The 370-ton hull, which is lying on its side at an angle of 60 degrees, is being strapped to the frame.

A floating derrick will lift frame and hull together and inch them onto "a mattress inside a steel box" on the seabed, Lewis said. The steel box is padded "with a water bed" to hold and protect the fragile hull, he said.

Some days later the whole assembly — cradle, hull and lifting frame — will be hoisted aboard a barge, then towed to a special dry dock, where it will be housed for more than two years while the interior is reassembled.

Lord Romsey, grandson of the late Earl Mountbatten and vice president of the Mary Rose Trust, said that Prince Charles, who is trust president and has made nine dives to the wreck, will watch the lifting.

Margaret Rule, the trust's archaeological director, said the hull was "a fascinating and rare Tudor artifact. It is also a rather disreputable-looking complex of black, wet, smelly woodwork." She said that in case of bad weather the lifting project will be rescheduled for Oct. 11.

Henry VIII was watching as the Mary Rose sailed forth against the French on July 19, 1545 — and sank with amazing speed. Fewer than 40 of the 700 crew-

Henry VIII's Ship Set for Lifting

Compiled by Our Staff From Dispatches

LONDON — King Henry VIII's flagship, the Mary Rose, which sank in battle against the French in 1545, will be raised from the seabed off Portsmouth weather permitting — on Sept. 28, officials of the Mary Rose Trust announced Tuesday.

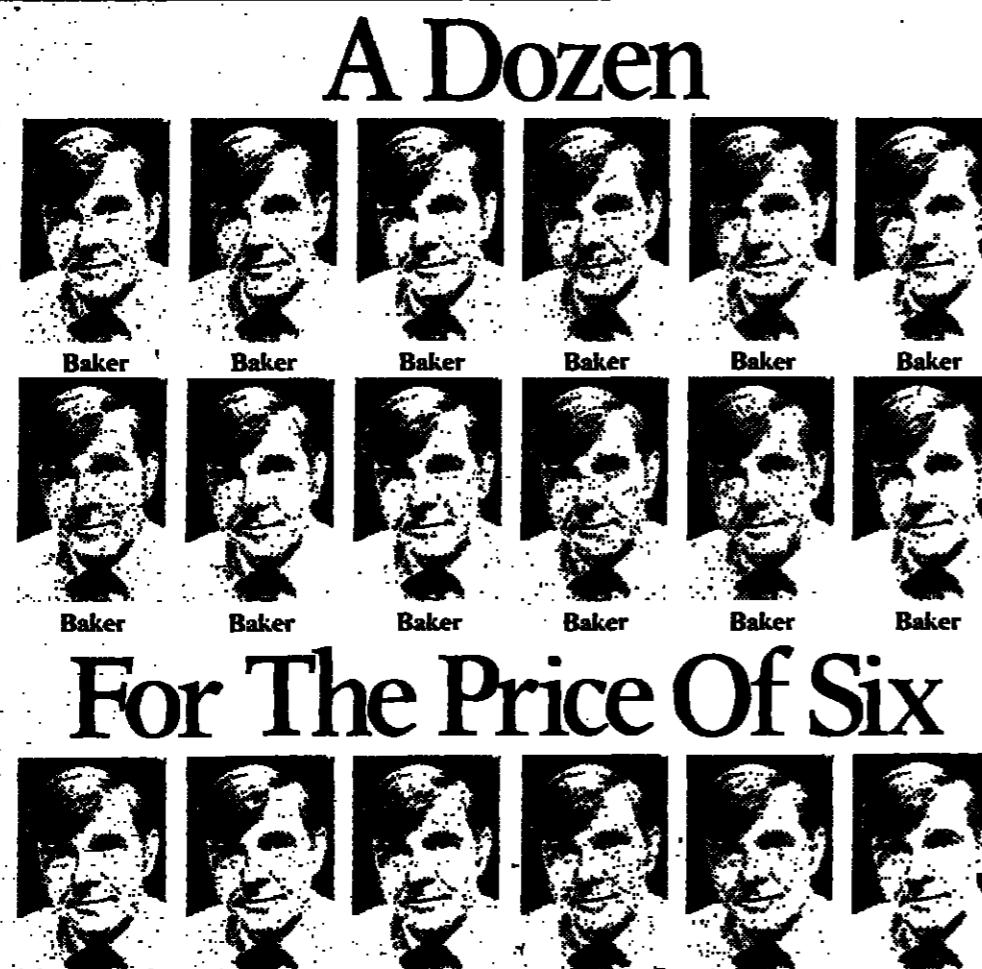
The event, which will climax one of the world's most ambitious underwater archaeological quests, will come 17 years after the wreck of the Tudor warship was located. More than 23,000 dives to the ship have produced thousands of artifacts.

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Henry VIII was watching as the Mary Rose sailed forth against the French on July 19, 1545 — and sank with amazing speed. Fewer than 40 of the 700 crew-

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'Hamlet' Breaks Even in LondonBy Sheridan Morley
International Herald Tribune

LONDON — By an accident of timing, the London fringe theater is currently offering one of the best "Hamlets" I have ever seen, and one of the worst. The one to avoid is at the Young Vic, where Edward Fox, a likable and intelligent actor, has put his prince in surroundings that suggest that the staff of some very minor British prep school in about 1950 has suddenly been asked to mount the play for parents' day without quite enough rehearsal or a director. The ghost has the traditional affliction of the larynx, the Gertrude looks understandably appalled not so much at her husband's murder as at the quality of the acting, and the audience at intermission, which was when I left, were wearing stunned expressions.

But publishers discovered in surveys that there was a strong demand for a Bible that, while retaining the word music of the King James, would be intelligible to "you Miss Jones who is not quite sure what that word and that word means."

"There is a chance for you to go farther out on the limb," a reporter said to Farstad after lunch.

"Suppose a reader actually grew up knowing English so that he had no great trouble with things like 'undressed' vines, not supposing the vines had taken their clothes off, but aware the vines had not been pruned and trained. Do you say your book has any merit, beyond helping Miss Jones who has trouble with vines being undressed?"

"Yes," said Farstad, leaping to the challenge. "I mentioned changing 'peacock' to 'monkey' to correct a small error. But take this: St. Paul uses the word 'atonement' in the 1611 Bible. That word has profound and technical meanings. In 1611 it did not mean anything remotely similar to its meaning now. It meant simply 'reconciliation.' So we changed it to 'reconciliation.' The 'New King James Version' is more accurate than the old one in such an important example as this."

"But a thing that astonished us was the scholarship and dedication to accuracy of the 1611 translators. They were better scholars of Hebrew, say, than many biblical scholars who came after them. In only a few cases has their scholarship been improved on."

Moore said: "I know we are going to catch it from the ultraconservatives. But, then, you take your life in your hands when you get up in the morning and cross the street."

Thomas Nelson still publishes the 1611 translation with the first-edition spelling and punctuation. The discovery of this should have made the lunch worthwhile even to the most determined defender of King James. Samplings of a dozen people who had read the new revision produced a consensus that no damage had been done to the literary beauty of the Authorized Version.

By the way, that "monkey" of the monkey-peacock controversy should in fact have probably been translated "baboon," Farstad said privately. But they chickened out.

suggests that they could move straight from this into Stoppard. Miller also gives us a predictably graphic and clinical mad scene, with Kathryn Pogson a memorably neurotic young and subtle Claudius from John Shrapnel. True, the last two acts drop a lot in tension, and it may be pushing luck a bit to have Fortinbras giggle on seeing the massed corpses, but these are minor cavils at an evening of huge assurance, excitement and dynamism.

* * *

The Chichester Festival management, having already cast Joan Plowright as Britain's best-loved nurse ("Cavell") and then left her stranded in the middle of that vast open stage without a play, has now cast John Mills as Britain's best-loved schoolmaster and left him without a musical. An appallingly inadequate Leslie Bricusse score from the 10-year-old Peter O'Toole film "Fiasco" (also nominally "Goodbye Mr. Chips") has been hauled out of oblivion and attached to a new book (by Roland Stark) of equally amazing inadequacy, and the whole machine has been given a production (by Patrick Garland and Christopher Seely) that manages to turn James Hill's story into a gang show.

* * *

Si John drifts through this tackily choreographed shambles with marvelously good grace, even managing in the second half to haul the show up from being unbelievably terrible to being at moments only endearingly inadequate. That a director of Garland's subtlety, one who once had to deal with similar issues of historical and patriotic English traditionalism in another school show, "Forty Years On," could have allowed this "Chips"

feature of this strange cinematic journey is the music of the late Bob Marley and his Wailers.

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italian thriller transpires in an arid, dusty realm where anarchy reigns as outlaws battle for possession of the remaining stores of precious petroli.

Max — more courageous than

insane — is a road security guard. His wife and child have been massacred by bandits, and, unaware of the theory that everything is society's fault, he thirsts for vengeance.

His chief enemy is a ghoul with Indian-braided hair and pink makeup who swivels a mean motorcycle. This wretch is an expert stuntman and it requires two hours to bring him down. When the intermittent pursuit is not in progress there are explosions, bullet-dodging and combats of rival clans to keep the screen a-jump.

What we actually is the venerable Western formula motorized and given a dimension of fantastic horror. George Miller has staged it in a manner that retains excitement and suspense throughout, and Mel Gibson is again the invincible superman, his head bloody but unbowed during the

concluding reels. The film's commercial success has been phenomenal wherever it has been exhibited, which makes another sequel inevitable.

* * *

"Countryman," an English product by Dickie Jobson, exploits the popularity of reggae to the utmost, its soundtrack blasting with Jamaican rhythm. Its script, alas, is less dynamic, meandering like a lost travelogue.

During its leisurely peregrinations, it spins a fable about a local fisherman who rescues an American couple from an airplane that has crashed. The wounded pilot and his girlfriend must hide out, suspected by local authorities of being CIA agents. The fisherman heals the pilot, shelters the intruders in the jungle, supplies them with nourishment and introduces them to the smoking of a drug that seems to have provided him with a mastery over the elements and charged him with such an amazing velocity that he might sign on for the Olympics. The outstanding

Oil and Money in the EightiesAN INTERNATIONAL HERALD TRIBUNE/OIL DAILY CONFERENCE
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Gemayel's Legacy

From THE NEW YORK TIMES

Two days after the PLO celebrated its exile from West Beirut by shooting in the air, the Maronite Christians of East Beirut fired their own shots of celebration. Lebanon's Parliament elected Bashir Gemayel, commander of the Phalangist Christian militia, as the new president. But if Gemayel hopes for more than nominal power, he must quickly reach for much broader support.

In the eyes of Lebanon's Moslem majority he remains a divisive factional leader, directly involved in both the 1975-76 civil war and the current Israeli occupation. Before he can be president there must again be a Lebanon, and that will only come about when all its people again think of themselves first as Lebanese.

Less than 10 years ago, such a Lebanon existed. Tradition gave formal representation to each major population group. Lebanese diplomacy steered between Israel and Syria. The system functioned because the Lebanese and their neighbors saw a common interest in maintaining Lebanon as a pluralist oasis.

Then in the 1970s, all that broke down. The PLO, expelled from Jordan, appropriated southern Lebanon as a base of operations against Israel. The delicate political balance could not adapt. Israel saw Lebanon's neutrality undermined. Lebanese Maronites, too, became alarmed.

Behind Gemayel's Phalangist militia, many of them took up arms to demand curbs on

Seeking a Consensus on Arms Control

By Flora Lewis

London — Two sets of nuclear arms talks have started now, and gone into recess while American and Soviet negotiators consider the next move.

Meanwhile, President Reagan is said to be leaning toward a decision to deploy a new MX missile in what is called the "dense pack" system, with launchers built close together.

Congress is reluctant to keep funding the missile without a firm decision. And Secretary of Defense Caspar Weinberger has come to share experts' doubts about the theory that they would survive attack in a "dense pack" because incoming missiles would set each other off relatively "harmlessly" (maybe only 20 million Americans dead).

Time is running out. A nuclear freeze will be an important issue in the November elections. Reagan has appealed to Congress not to do anything that would affect negotiations. But nothing is happening to bring confidence that the talks will produce anything but a new leap in the arms race. So Democrats are making the freeze plan a campaign question.

There is no way to achieve both security and a ceiling, let alone a reduction of atomic weapons, without a Soviet-American agreement. But as things are drifting, the immediate danger is that the U.S. arsenal will be fixed by the outcome of the domestic political contest, without a word from Moscow.

So a new approach by Rep. Albert Gore Jr., Democrat of Tennessee, comes at the right moment. He urges a bipartisan consensus on a comprehensive next-step arms control proposal.

"What it comes down to," Gore says in an article, "is whether with constructive help from Democrats, and responsive leadership from the president and his party, we can re-establish a common denominator about nuclear weapons and arms control: some bedrock level of agreement that permits the president to pursue a course that most of us can, in good conscience, support — if not totally, then at least on key points."

Nobody will get to vote on whether or not he will be atomized. Nobody will be asked whether he wants to risk a "protracted nuclear war." No issue more urgently concerns all Americans, whatever style of government they prefer, so there is no issue on which the need for general national agreement is more obvious.

danger of division among Americans, he has a good plan that builds on the administration's proposals. The central point is to change both U.S. and Soviet nuclear forces so as to reduce fear on each side that the other can make a surprise first strike successful.

It does not make sense to suppose that one party has all the right answers and the other all the wrong ones. Partisanship has artificially distorted positions.

The president was delighted to be able to rally both Democratic and Republican support for his tax bill to save the economy from his ideological mentors. It would be an even more impressive and satisfying exercise of leadership to rally broad support for a plan to save the nation and the world.

No issue more urgently needs wide national backing, and a bipartisan plan would surely carry more weight with Moscow as well as reassure allies.

Gore is not only right about the

weapons, which are not so conducive to a first strike. Cruise missiles, easy to hide and therefore a threat to any effective arms control in the future, would be limited.

Administration officials concede that the proposals offered the Russians in both the Euromissile and START strategic negotiations have not yet faced the hard choices to be made if the talks are to advance. There seems to be a desire to put those choices off until after the elections to avoid political trouble.

The opposite strategy, to produce a plan for the next round of talks that a large majority can support before elections, thus defusing the issue, would have much better results. As the bipartisan effort on the tax bill showed, doing what is good for the country can bring political benefit too.

Now that he is talking to House Speaker Tip O'Neill, and not just about him, Reagan should move to urgent joint consideration of the next moves for arms control.

The New York Times

Reagan's Liberating Discovery

By David S. Broder

WASHINGTON — Whatever its long-term consequences, the victory President Reagan won last week on the tax bill has redefined his role in the political system. The man who built a successful and long-lived part for himself as the scourge of "the Washington bubble" system (the phrase he used in his 1976 presidential bid) was rescued by the congressional establishment of both parties.

His victory in the House was accomplished with more Democratic than Republican votes (123 to 103). The Senate vote was on more narrow partisan lines. But even there, the 11 Republican defections would have defeated the bill, had not nine Democrats crossed the line to support the president.

Even more striking was the pattern of the vote. Most of the Republican defectors were from the conservative wing, where Reagan has had his spiritual home, and especially from young conservatives, to whom he has been a hero. Five of the 11 dissident Republican senators were held inside to victory in 1980 on his coattails.

Meanwhile, it was the conservative wing in both parties who rallied to the president's side. In the House, Speaker Tip O'Neill spoke as powerfully for the bill as did Minority Leader Bob Michel while Democratic Whip Tom Foley shared vote-counts with Republican Whip Trent Lott. In the Senate, it was the unlikely partnerships of Alan Cranston and Howard Baker, Ted Kennedy and Bob Dole, that turned the tide for Reagan.

That all this occurred 75 days before the election — and on a measure relating directly to the economic crisis the Democrats have chosen as their main issue — makes it all the more extraordinary. What did the Democrats get for their good deed? Well, they avoided the denunciations they would have received and deserved if they had helped kill the tax bill for narrow-partisan reasons. As Rep. Leon E. Panetta, Democrat of California, put it, the tax bill "had the most significant reforms" in more than a decade.

But realistic Democrats do not expect any more than that. In district after district, Republicans will still run ads saying the choice is to go ahead on the new path of President Reagan or return to the old tax-and-spend policies of Tip O'Neill.

Realistically, Democrats know, that they have given added leverage any more than that. In district after district, Republicans will still run ads saying the choice is to go ahead on the new path of President Reagan or return to the old tax-and-spend policies of Tip O'Neill.

Most people think the pattern of last week's vote is not likely to be repeated soon. White House Counselor Edwin Meese 3d said, "It's a one-time coming together, rather than a long-term coalition."

Rep. Newt Gingrich, Republican of Georgia, one of the young conservatives who broke with Reagan on this issue, said, "I think we'll be back in two weeks, ready to fight the Democratic. If the president decides on a veto strategy this fall [to enforce spending cuts], it will be impossible for him to be allied with half the people who voted for this tax bill."

That talk is premature, and yet one wonders if this past week was not a psychological landmark in the Reagan presidency.

For the first time, he governed against his fellow-conservatives. For many, many years, he had built a special relationship with the young, anti-establishment conservatives, addressing countless Young Republicans and Young Americans for Freedom conventions. Those are the people he broke with last week; it was not just Jack Kemp, the closest thing to a political heir he had, but that whole generation.

Of the 88 freshmen and sophomore House Republicans, 32 voted against Reagan. In a moment of exasperation before the vote, Reagan told some of them, "Grow up, conservatives," quoting Barry Goldwater's famous line from the 1960 Republican convention.

Ronald Reagan is outgrowing his own rhetoric as he faces the responsibility of governing. Last week, he rose above principle, not just in pushing the tax increase but in endorsing an agreement with China on future arms for Taiwan toward eventual absorption into China.

Rep. Barber B. Conable Jr., Republican of New York, has remarked that Reagan is a kind of "keeping the rhetoric of the rubber-chicken circuit, for which he feels nostalgic, in a separate 'watercolor' compartment from the decisions he has to make as president governing in the 'real world.'

Last week, Reagan discovered that he could win a vital real-world victory with the help of those who recognize those realities, even when his old conservative soul mates were quoting his own rhetoric against him.

It will be surprising if that disconcerting but liberating discovery does not affect his actions in the remainder of his presidency.

The Washington Post

Commodity Prices

From THE WASHINGTON POST

World prices of copper, sugar, coffee and cotton have all dropped severely over the past couple of years, and the trend is continuing. It is nice for the industrial countries that import raw commodities. But it is very hard on those countries whose fortunes depend totally on the international market for one or two of their products.

Just as unemployment rates are the measure of social distress in the industrial countries in times of economic decline, the commodity prices are the measure of the distress in the poorer nations, closer to the equator, that live by exporting raw materials. For the Third World, there is an important difference between the last recession and the one now.

The last time the world's economy sagged, in 1974-75, most of the Third World governments managed to keep business expanding at home by borrowing heavily. The banks had a lot of money to lend because the OPEC countries, after the first great oil price increase, had more cash coming in than they could immediately spend. But this time, the Third World will not be able to expand its borrowing. The accumulation of debt is al-



Which Option Will Israel Take in Lebanon?

By William Pfaff

PARIS — The prolonged first phase of Lebanon's crisis focused on the fate of the Palestinians. Phase Two concerns what happens to Lebanon itself, and that phase is just beginning.

Even if the Palestinians in the north of Lebanon are also peacefully evacuated and the problem of the Syrian occupation force is resolved, Israel will certainly not retreat to its borders and leave Lebanon to its own devices. The Israelis (and the U.S. government) want a "strong and independent" Lebanon. That is a splendid objective. How is it to be obtained? What will be the quality of this strength and of this autonomy? A strong and independent Lebanon allied to the Arab world, which presumably would be the wish of the Moslem majority in the country, is not what Jerusalem or Washington have in mind.

Nor do Israel and the United States agree on what they want. It seems that Israel wishes to see Lebanon under the control of Christian Lebanese willing to ally themselves with Israel and make Lebanon a buffer state between Israel and Syria. They want an ally in Lebanon, effectively a client or dependent state, possibly a partitioned one. The division of the country into Israeli and Syrian dependencies is certainly a possibility.

Washington draws the line at the creation of a mere puppet regime, kept in power by Israel's army. The United States wants to see a pro-Western government, free of Palestinian influence, at peace with Israel but also one that makes a reasonable claim to legitimacy and to the loyalty of its population. Moslems and Druse as well as Christians. To install one community as rulers of the rest would simply perpetuate the old civil struggle — unless really drastic measures were taken, population transfers as well as national partition.

The rumous civil war in Lebanon was touched off by the installation of Palestinians as a state-within-the-state and the support that the Palestinians then gave to left-wing Moslem groups. But that

field will eventually shrink it, that to take on new enemies can eventually produce new allies.

One can readily understand what Gen. Ariel Sharon wanted from the strike into Lebanon. He meant to shatter the Palestinians, drive them out, end their power and put Lebanon under the control of people who would see that their interests lay in collaboration with Israel.

It originated in the unwritten 1943 "national pact" between Maronite Christians and Sunni Moslems that assigned national offices to the individual communities according to the popular strength they possessed in the last census taken under the authority of the French mandate.

That was essentially a settlement between the powerful. There actually are 17 officially recognized communities in Lebanon. The Maronites, while by far the majority Christians, are not the only Christian community in Lebanon, and they themselves are politically divided. The Phalangists, now the most prominent Christian group, a political rather than communal formation, is opposed by more liberal Christians. The Shiite Moslems, the Moslem community's poor relations in Israel and Syrian dependencies is certainly a possibility.

The old arrangement was also undermined by differential population growth, which caused the Moslems as a whole to be increasingly under-represented, and by economic differences between the communities, which saw the Christians mostly prosperous and dominant in Lebanon's commerce, the Moslems poorer and the Shiite Moslems poorest and most resentful of the major groups.

Israel's intervention at best sets the Lebanese free to resolve their own quarrels, without Palestinian and Syrian forces in the country. It substitutes Israeli armed force as the new element in the mixture. It does not mean, as some Israelis seem to think, that peace will break out in Lebanon.

Israel made the gamble, at the beginning, that war can bring peace — that to extend the battle-

front will eventually shrink it, that to take on new enemies can eventually produce new allies.

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U.S. Protection of Steel Industry May Backfire

By Robert J. Samuelson

WASHINGTON — What is going on in steel these days underlines the absurdity of American trade laws.

The government is about to give substantial protection to U.S. steel companies and workers. What will it get in return? Nothing except, perhaps, that this: European retaliation against U.S. exports — food, chemicals and textiles.

This does not look like a good bargain because it is not. The straitjacket of U.S. trade laws, however, is forcing the Reagan administration into it. The laws have taken on an independent existence, increasingly removed from their original purpose: to promote American economic well-being.

What is wrong with the trade laws is that they have cast trade into a legal framework. They have made it a matter of rights and wrongs, as if trade were cops and robbers. You do wrong and get punished.

Trade is not about the law, but about national economic and political interests. The current laws have got it backward and need to be changed to reflect that.

Industries generally do not get in trouble because they have trade problems. They have trade problems because they are in trouble. The auto industry, for example, suffers not primarily from an import penetration of 28 percent (up from 17 percent in 1978) but from a one-third drop in demand since 1978.

The recession and high interest rates explain a part of the slump, but its depth and duration reflect something else: high prices. In 1981, the average new car cost \$8,350, according to the National Association of Automobile Dealers. That was 27 percent more than in 1979. Prices are still going up. Why?

Labor is overpaid. Average costs now run about \$20 an hour. At the same time, management has been sloppy. A recent study by the National Academy of Engineering cites estimates that Japanese productivity may

be 40 percent to 50 percent higher than American.

Solving trade problems does not necessarily solve basic economic problems. Indeed, a preoccupation with trade may aggravate the underlying distress by deluding managers and workers. They think the source of trouble is trade when it is not.

What the administration needs in its trade laws is the ability to ask for something in return for providing relief. It needs to be able to say: "Okay, you have trade problems. But you have other problems, too. If you don't try to take care of them, you don't deserve trade relief and it won't be very good for you."

Now, this power is severely limited. The administration must impose import duties if imports are found to be either subsidized or "dumped" (generally, that they are sold in the United States at lower prices than in their domestic markets). Only when an industry wants relief without alleging either dumping or subsidies does the administration have discretion. Even then, little has ever been asked of businesses or labor.

Steel highlights these problems. Saying the industry is in trouble is like saying water is wet. Employment is down more than 100,000 (about a fourth) over the past year. Mills are operating at 40 percent of capacity.

At the U.S. Steel Corp., steel-making operations lost an estimated \$350 million in the second quarter alone, according to Oppenheimer & Co.

For relief, the steelmakers have filed numerous dumping and subsidy complaints against European producers. In general, the Commerce Department and the International Trade Commission have upheld the complaints and ruled the Europeans liable for duties ranging from a few percentage points to more than 40 percent. Such duties would shut many Europeans out of the U.S. market.

Moreover, the U.S. had great economic growth and little inflation for decades with low interest rates and with government budget deficits most of the time, which completely contradicted the assertion that there is a "fundamental collision" between the two.

This kind of mumbo jumbo ignores the fundamental fact that we have the human and material resources to continue economic growth and that our real problem is to organize ourselves so as to realize our potentialities.

ALFRED E. DAVIDSON
New Jersey

Dresden Bombing

Regarding "Cities Destroyed" (Letters, IHT, Aug. 3): So not only were the inhabitants of Dresden civilian

LETTERS TO THE EDITOR

Economic Growth

INSIGHTS

A Reporter's Diary in Poland: Three Years of Dreams and Fears

During his three years as chief of the Warsaw bureau for The New York Times, John Darnton has witnessed profound upheavals in Poland, ranging from the emergence of Solidarity to the martial-law crackdown. In this excerpt from an article written for The New York Times Magazine on the eve of his departure from the assignment, he recalls those years and analyzes the impact of the Soviet-imposed crackdown, which he is convinced, "is for ever."

By John Darnton

WARSAW. — This is the third Poland I have seen in nearly three years here. First, there was the Poland of Edward Gierot, the former party chairman with his ambitious development schemes; who is now in disgrace. That was a time of cynicism, apathy and pessimism, and of uncertainty about what lay before everyone's eyes like millions down a dark road. Then there was the Poland of Solidarity and Lech Wałęsa. It was a time when hoods suddenly opened up, the bliniers came off, and there was hope of creating a livable, productive non-schizophrenic society within the Soviet bloc.

And now the Poland of Gen. Wojciech Jaruzelski, a Poland of tanks and underground leaders, where the structures of control are in place, but just barely — a crumbling facade with a scaffold around it. In this new Poland, the fear and the dream commingle and everyone waits for something to happen — something...

September, 1979

An official guide is showing me around. He seems a bit defensive about my interest in the 500,000 Jews who lived in Warsaw before the Holocaust. He shows me where the tracks were of the trains that took them off to Treblinka.

The raised foundations of earth under the high-rise apartments of the former ghetto still contain human bones. The monument to the heroes of the ghetto uprising is built with the very same granite that Hitler had planned to use to commemorate the liquidation of Poland's Jews. The monument is impressive. But it is the only one in Warsaw without flowers.

November, 1979

The town of Czuchowice-Dziedzice, in the mining region of Silesia. There has been an explosion at a mine. Two men are dead and 20 are trapped in a tunnel 600 feet (180 meters) underground, where a methane-gas fire is still raging.

It is the third mine disaster in the past month; in all, 43 lives have been lost. The accidents coincide with a new brigade system that keeps the mines going 24 hours a day, seven days a week. The government is desperate for foreign exchange; it is squeezing the miners for more and more of its "black gold."

December, 1979

When the revolt comes, it is deeper and more disciplined than anyone expected. At the Lenin shipyard in Gdańsk, the strikers' faces are dirt-streaked but radiant, solemn and light-hearted at the same time. The workers lounge about on the grass, listening to their leaders on loudspeakers and, on transistor radios, to the BBC, Voice of America and Radio Free Europe.

The hall swarms with delegates from other factories joining the strike. The delegates sit at long tables, at a banquet, dockworkers, shipchildren, tool-and-machine assembly-line workers, bus drivers.

Lech Wałęsa is rushing around, bobbing his head in hurried conferences, giving orders, grabbing the microphones to calm the workers with joking patter. Only a month ago he was an unknown, unemployed activist for the minuscule Baltic Coast Free Trade Union.

Aug. 26, 1980

The strikes are still on. Cardinal Stefan Wyszyński, the primate of Poland, delivers a sermon that is actually broadcast over state television. A group of workers in the Gdynia shipyard is huddled in a room, hanging on his every word. He is the workers' spiritual monarch, for 30 years the only authority they have respected. (Cardinal Wyszyński died in May, 1967.)

Cardinal Wyszyński calls for peace, calm, reason, respect. True, he criticizes the government, but he warns that strikes could pose a threat to the nation; he pleads for workers to be patient and postpone some of their demands.



Poland's bright hopes of August, 1980, when Lech Wałęsa addressed workers at the Lenin shipyard in Gdańsk, have

given way to the harsh realities of this May, when martial-law police used a water cannon on Warsaw protesters.



The Associated Press

The speech is of critical importance. The church, in so many words, has told the workers to stop. What effect will it have?

The room is silent. A strike leader strides to the front and flips off the television set. "Friends," he says, "as we have just heard, the prime supports us right down the line."

A roar of applause and cheers. I learn, at that moment, a fundamental truth about the Roman Catholic Church in Poland. It resides so deeply in the people's hearts that it can never be uprooted. When its words come into conflict with its own image, they are not ignored; they are magically transposed. The image is stronger; it is, in a sense, the real church.

Five days later, Solidarity is born.

October, 1980

The country is opening up — a headlong tide. New groups are forming. Liberals, reformers, even radicals, are taking over institutions, such as the journalists' union, that have been instruments of party control.

Yet all this is unfolding peacefully, methodically, even democratically. It all seems part of what Jacek Kuron, the brilliant, barrel-chested dissident, calls a "self-limiting revolution."

The idea is to turn the authorities upside down without overthrowing them — to transform Poland without disturbing the geopolitical balance and bringing in the Russians. It is a tricky business.

December, 1980

Things are moving fast. Films previously banned by the censor are shown on television. Universities are preparing to choose their own rectors by democratic elections. Parliament is becoming fractious. There is a kind of national euphoria; the whole country resembles a university coffeehouse plunged into frenetic discussions about unions, Socialism, society.

New Year's Eve is a frenzied round of parties. The toasts become more and more outrageous, the champagne spills onto the floor. Jan, my sardonic friend, raises his glass and says: "And to you, as a journalist, I wish a Soviet invasion." Our friends laugh. It is too unthinkable.

January, 1981

Breakfast with Lech Wałęsa at the Solec Hotel. Two busloads of Soviet tourists pull up. They enter. How will they react when they see the devil incarnate, the man threatening to bring down their empire?

They sit down. They order breakfast. They eat. Nothing happens. Of course they know the

name, but not the face. He is so dangerous that they've never been shown a picture of him to stop. What effect will it have?

I look at Mr. Wałęsa and I realize that I know the face but not the man. How many times have I interviewed him? Maybe 10 or 15. How many times have I seen him sitting in his office, presiding at meetings, speaking to crowds? Maybe 30 or 40. And yet he remains elusive.

The legend of Mr. Wałęsa as dyed-in-the-wool worker, churchgoer, folk hero is beginning to overshadow the man. He is, without doubt, a gifted leader — courageous, instinctive, articulate. But there is a darker side to his nature — his dictatorial tendencies, his pettiness, his intolerance. These traits have been coming to the fore, affecting his leadership. Some of his top lieutenants are becoming disenchanted; the movement is in danger of splitting.

Mr. Wałęsa repeatedly says that it is unity — millions of unarmed workers standing shoulder to shoulder against the state — that has made Solidarity into what it is. If that goes, the union is lost.

February, 1981

The Tomb of the Unknown Soldier in Warsaw's Victory Square. The tomb, containing the ashes of a Polish soldier who died in the fighting that repelled a Soviet invasion in 1920, has become a rallying point for all kinds of demonstrations.

On this day, Rural Solidarity, the new independent farmers' union, has been refused legal status by the courts. The farmers are confused and angry. They march to the tomb.

The crowd grows; there are thousands. Speeches break out. Tough, defiant words are shouted. Suddenly, from across the square, come the Polish guards. They march straight for the tomb, right toward the crowd.

Suddenly, the crowd parts, an aisle opens up and, as the soldiers march through, a chant rises: "Long live the Polish Army!" "God bless the army!"

The soldiers take their places. I look at one of them. He is ramrod stiff and expressionless. But tears flow down his cheeks.

December, 1981

Back in August, 1980, our maid, Kasia Trzcińska, suggested matter-of-factly that I should meet her son Jurek. I put her off. A few weeks later, she raised the subject again.

Not long after, her son telephoned.

"I'm coming to Warsaw tomorrow," he announced.

"I'll be driving down with some other people. Lech Wałęsa, Bogdan Lis, a few others. You see, we have this new union we're trying to get registered."

Jurek Trzciński, it turned out, was a top Solidarity leader. From Jurek I derived my respect for the integrity, courage and basic level-headedness of the Polish working class. Night after night, he explained the goals — not to drag Poland out of the Warsaw Pact, not to overthrow the state, but to set things right. "We just want a decent country," he would say.

Dec. 13, 1981

Martial law came down like a sledgehammer. It caught everyone off guard. Many of our friends were dragged out of bed, some not even given time to put on their shoes. When Mr. Wałęsa was seized at his Gdańsk apartment in the early hours of Dec. 13 and flown to Warsaw, he was convinced, reliable sources told me later, that he was going to be thrown out of the plane.

Jurek evaded arrest and went into hiding. The key to the operation was isolation. The whole nation was cut off from the rest of the world and plunged into a blackout. All communications were severed, all travel banned all meetings prohibited. Every household was isolated from every other, as was every factory, every division within a factory. The power of the union lay in numbers and concerted action, which depended on communication, openness and visibility. Once these were blotted out with curfews, roadblocks, dead telephones and jammed radio broadcasts, the power dissipated.

The generals did more than arrest 6,000 Solidarity leaders and supporters. Figuratively, they placed the entire population under arrest. Certainly there was no "anarchy" in the streets, nor was there any sign of an opposition ready to take up arms. There was, on the other hand, widespread realization that the political situation was veering out of control and that Solidarity was again preparing to mount a challenge to the party.

This has led to the notion among some observers in the West that Solidarity brought on martial law by going "too far" in its demands. But it could also be argued that the party went back on the power-sharing arrangement struck in Gdańsk in August, 1980. Most of the 21 original demands of the Lenin shipyard strikers remained unfulfilled.

With the party's intransigence, Solidarity's leadership adopted more radical stances and did battle over once-untouchable issues. But the extremists in the union never

really gained control. And the union's actions had a way of ending up more moderate than its rhetoric.

At the end, the union tried — naively, it turned out — to bypass the Polish party altogether and address itself directly to Moscow. This was the significance of Solidarity's call at its final meeting, on Dec. 12, 1981, for a national referendum on membership in the Warsaw Pact.

One of my stories gets out on a ferry to Sweden. Another is slipped under a cushion in a railroad car that goes through East Germany. A third is stuffed into the bottom of a Marlboro cigarette pack that is then rescaled. There is no way of knowing which of them, if any, reaches New York.

Finally, I hit upon a surefire system. Because there are no facilities in Poland for developing color film, the Poles permit some photographers to send their film out undeveloped. The photographers are closely watched anyway, so the film is deemed safe. One of them photographs three of my stories; the undeveloped roll is passed by the censor and ends up in Bonn, where a lab technician, in developing the film, finds a message to pass the copy on to New York.

April, 1982

Martial law has solved nothing, because the government has done nothing. So far, it has moved neither to create a "national accord" nor to outlaw Solidarity outright.

Officials parrot the line that Poland was on the verge of civil war, that anarchy was threatening to stick it under, and that martial law was a last, desperate chance to save the nation. But they have difficulty mustering evidence to support these assertions.

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The trial is brief. Even relatives of the accused find it hard to get into the courtroom.

Key defense witnesses are not allowed to speak. The sentences are preordained and severe. Jurek is given nine years.

Everyone is slumped in a moral depression. Journalists are being fired left and right. Universities are being purged. People direct their energies toward schemes to get out of the country. No one seems to be doing any work.

I do not know what will happen here; no one does. What everyone knows is that the conflict and the anguish are far from over. Perhaps next time the explosion will be violent. There is not really much to tell Jurek's mother to comfort her, except that there's a chance he will not serve his full nine years, that something will happen before then.

June, 1982

Jurek, I learn, has been arrested. He has gone on trial in Gdynia with eight other defendants. They are charged with distributing anti-Soviet leaflets and fomenting a strike at a naval academy.

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BUSINESS / FINANCE

WEDNESDAY, AUGUST 25, 1982

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BUSINESS BRIEFS

Cities Service Board Rejects Bid

NEW YORK — Cities Service's board has rejected unanimously the latest offer for the company from Occidental Petroleum. But the board told Cities shareholders to make their own decisions on accepting Occidental's \$30-a-share offer for their stock.

And the board said that if Cities — which put itself on the block earlier this month after the collapse of a \$5 billion merger offer from Gulf Oil — is unable to find another buyer by Friday, Cities board members and executives might sell their own stock to Occidental.

"In light of the unprecedented circumstances resulting from Gulf's abrogation of its merger agreement with us and the grave disadvantage that has been inflicted on our shareholders, it would be inappropriate for the board to 'second-guess' each shareholder's own evaluation of the Occidental offer," Cities Chairman Charles J. Waideich wrote shareholders after Monday's meeting in New York. "Accordingly, each shareholder is advised to make his or her own decision."

Nord LB to Join in Loan to AEG

FRANKFURT — Norddeutsche Landesbank Girozentrale is ready to participate in the 700-million-Deutsche-mark (\$288 million) portion of a 1.1-billion-DM credit for AEG-Telefunken, a bank spokesman said Tuesday.

But Nord LB — the last member of the consortium to agree — is not prepared to take part in the remaining 400 million DM tranche unless the level of its contribution is renegotiated with other members of AEG's 24-bank consortium, he said.

The federal government wants the state governments to cover up to half of another 1 billion DM in export guarantees. West Berlin's economics minister, Eimar Pieroth, said the city state could not support aid to help AEG's restructuring program because the city faces above-average job losses in the program. AEG has substantial operations in West Berlin.

Toshiba Readies Fast-Logic Chip

TOKYO — Toshiba said Tuesday that it has developed an ultra-fast computer chip, which it described as a milestone in the development of super computers to conduct complicated scientific calculations.

It referred to the chip — composed of a compound of gallium and arsenic instead of the conventional silicon wafer — as the world's fastest logic large-scale integration. The logic chip differs from the memory chip, which simply stores data without processing it.

The company said it would take three to four years before commercial production could start on the new chip, which can carry out calculations about five times faster than that of a silicon logic LSI.

Gold Fields Can Raise Newmont Stake

NEW YORK — Newmont Mining has amended the stock purchase agreement so that Consolidated Gold Fields and its Amcor group subsidiary can purchase another four percent of Newmont's voting stock, Newmont said Tuesday.

The agreement previously provided that such purchases could only be made after Sept. 1, 1982. Consolidated Gold Fields owns about 22 percent of Newmont's voting stock, Newmont said.

Newmont has restructured the operations of some of its subsidiaries so that the ownership of 25 percent or more of the voting stock of Newmont by a non-U.S. citizen would not cause those companies to be in violation of U.S. maritime laws.

Toyota to Raise Capital Outlays 30%

TOKYO — Toyota Motor plans to increase capital outlays on plant and equipment in the current year ending June 30, 1983, to 260 billion yen (\$1.1 billion) from about 200 billion last year, Japan's largest automaker said Tuesday.

It said spending for the development of new technology and new products — including front-wheel drive cars — will be increased to 117 billion yen from 85 billion last year.

The automaker also revised downward its vehicle production target for the 1982 calendar year to about 32.2 million from 33.8 million as vehicle production in the first half fell to 1.62 million from 1.69 million a year earlier. Its export sales target was revised to 1.65 million from 1.73 million — the actual exports in 1981.

AMC to Double Output of Alliance

SOUTHFIELD, Mich. — American Motors Corp. said Tuesday that it will double the output of its Renault Alliance car and recall about 1,000 laid-off workers beginning Sept. 13.

It said production of the car, at the Kenosha, Wis., plant, will rise to 600 cars a day through the addition of a second shift. The front-wheel-drive Alliance, marketed as the R-9 in Europe, will be introduced Sept. 22, the automaker said. Production of the four-door model began June 15 while the two-door model went into production in July.

Compiled From Agency Dispatches



United Press International
Mexicans try to buy the latest issue of published government currency regulations.

Americans Face Losses in Millions On Dollar Investments in Mexico

By Alan Riding
New York Times Service

MEXICO CITY — Americans who invested in Mexican financial instruments, attracted by high interest rates and by the transactions' confidentiality, have lost hundreds of millions of dollars as a result of this country's acute financial crisis, according to local investment analysts.

The loss stems from the government's decision last week that foreign currency investments would be convertible only to pesos, and at an unfavorable exchange rate — the so-called Mexican dollar.

That rate was set at 69.50 pesos to the dollar, while the dollar traded Monday at between 95 and 100 pesos. The multi-tier system was introduced after a new flight of capital forced the government to introduce partial exchange controls for the first time in Mexican history.

Although aware of the damage this has caused to financial confidence in Mexico, the government was apparently forced to make the move because its foreign exchange reserves were almost exhausted. "If you don't have dollars, you can't pay dollars," said one foreign banker, who asked not be named.

The crisis prompted Mexico to seek \$4.5 billion in emergency credit from the United States and the central banks of other industrialized nations as well as to

request a 90-day postponement of principal payments on its foreign debt due to private banks. Mexico is also seeking \$4.1 billion in credit from the International Monetary Fund, and a negotiating team from the IMF was to arrive here Wednesday.

But the immediate focus of attention in financial markets here is on the probable behavior of the Mexican dollar market in coming weeks.

Over the past five years, many Americans have invested in fixed-interest dollar documents, lured both by interest rates slightly higher than in the United States and by the secrecy offered by the accounts.

Because of the secrecy, however, it is impossible to estimate how much of the \$12 billion held in foreign currency deposits and investments was owned by Americans. But the deluge of telephone calls received by the U.S. Embassy from angry and alarmed U.S. investors suggested the number was significant. Embassy officials told callers that the United States government could do nothing to help them because the matter involved Mexican law.

For the moment, though, rather than convert maturing documents into pesos, savers do have the option of rolling over their investments in the hope that the Mexican exchange rate will eventually be fused with the open market rate.

Speculation that this may occur has given birth in (Continued on Page 11, Col. 1)

Bundesbank Rate Cut Called Likely

By Donald Nordberg
Reuters

FRANKFURT — West Germany's announcement Tuesday of better-than-expected trade results makes it appear almost certain that the Bundesbank will cut interest rates this week, commercial bank economists said.

The Federal Statistics Office reported that the deficit in the current account, the broadest measure of country's trade performance, shrank to only 1.8 billion Deutsche marks (\$737 million) from 3.9 billion DM in July, 1981.

Some economists said this improvement — despite the holiday

season — could lead the Bundesbank to cut its Lombard rate to eight percent from nine and its discount rate to seven from 7.5. The central bank's policy-making committee meets on Thursday.

The economists said they are surprised at the relatively small July deficit but suspect special factors may have influenced the current account. As well, the statistics office said revised the current account for June a surplus of 100 million DM from the previously announced 446-million-DM deficit.

The trade surplus of 3.7 billion marks that of July 1981.

Ulrich Schroeder, an economist at Westdeutsche Landesbank Girozentrale, said July is one of the heaviest months for West German tourism abroad and the current account could easily have shown a deficit of 3 billion or even 4 billion DM.

The statistics office said that, after seasonal adjustment for such items as increased foreign exchange outflows in the peak West

German holiday period, the current account showed a small surplus last month.

One economist said it is virtually certain that trade, an erratic item, was sharply in surplus in July, but he noted trends in foreign travel recently have also shown West Germans tend to be spending less on holidays.

The improvement in West Germany's trade position, plus the decline in U.S. interest rates, means the Bundesbank does not have to worry as much about pressure on the mark. As early as the middle of last week it seemed certain that the Bundesbank would cut rates to 10 percent to be lowered after last week's fall in U.S. rates.

Bundesbank President Karl Otto Pöhl said last Wednesday that bank officials said the Bank of Japan will operate its short-term interest rate guidance policy flexibly to allow money market rates to fall if the yen continues to rise against the dollar and interest rates in the United States and elsewhere decline further.

United Press International reported from Rome that Italy on Tuesday lowered its discount rate, from 19 to 18 percent. Italian bankers had expected domestic interest rates to be lowered after last week's fall in U.S. rates.

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U.S. Investors Are Facing Huge Losses

(Continued from Page 9)
recent day to a secondary Mexican market, with some investors buying our Mexican deposits at around 75 pesos to the dollar.

"Some are of course gambling that the government may eventually permit conversion into dollars again," said one Mexican businessman who took advantage of the new market this week.

Investment analysts recognized that irreparable damage nevertheless had already been done to the foreign currency market here. "Even after the 1976 devaluation, the government didn't touch dollar accounts," one analyst said. "But after this, an important source of dollars dried up for Mexico. You won't see any foreigners putting dollars here for a long time. And even Mexicans will make sure their dollars are safely out of reach of the government."

Before the 1976 currency devaluation, many Americans, including retirees living here, were caught with peso investments that, in dollar terms, immediately lost 35 percent of their value. Wary of a new devaluation, however, many in recent months had switched their investments from pesos to dollars, confident of thus protecting their savings.

By contrast, losses on a so-called petrobono issue — secured by an expected oil revenue — that reached maturity Monday were smaller. Five issues, worth around 50 billion pesos, or \$26 million at Monday's rate, are currently on the market, and 40 percent held by foreigners. Merrill Lynch and Salomon Brothers, as well as several Swiss banks, were among the main foreign purchasers of both of local clients.

The three-year bonds that came due Monday were sold at a face value of 1,000 pesos per unit; each backed by 2,149 barrels of oil. The prospectus for the August 1979 issue had promised that the bonds would be amortized at the current export price of the dollars multiplied by the current exchange rate.

But even though Mexico's oil export price rose from \$22.60 to \$32.50 a barrel during this period, the decision to redeem the bonds at the Mexidollar rate — or 4,553 pesos for a 1,000-peso bond — meant that, in dollar terms, investors suffered a slight loss rather than the big profit they had anticipated.

The government agency handling the bonds, National Financiera, said future issues — coming due in April 1983 and April 1984 — would be amortized at the open market exchange rate.

Similarly, when U.S. interest rates are high, the attraction of holding gold is reduced. Thus, a number of gold experts believe that with the current international political tensions and the evident strains on the financial system, the precious metal needed only a modest decline in financing costs to achieve a rise in price.

"There's a good chance that gold will go above \$450 by the end of the year," said Charles Smedley, an analyst with James Capel & Co., a stockbrokerage. But he cautioned that the metal could trade in a range between \$375 and \$425 an ounce in the near future.

To a number of analysts, the decline thus far in the dollar of nearly three percent since early last week, on a trade-weighted basis, has not been sufficient to convince them that a fundamental change in the foreign exchange market psychology has occurred.

Several experts noted that the foreign exchange markets has anticipated declines in U.S. interest rates before, notably last spring, only to be fooled. Now, many expect at least a pause in the decline in rates, after the fast drop last week.

And some also point out that although the "fundamentals" are moving against the United States, the continuation of the U.S. recession longer than had been predicted has kept U.S. imports down and exports up, for the moment anyway.

The big move in the dollar is not around the corner, even if interest rates come down more," said David Morrison, chief international economist at Simon & Coates, a London stockbrokerage. "For the moment, the dollar has strong trade support."

Another uncertainty is how fast European countries, in particular, will move to match the U.S. interest rate declines. To the extent that they do, the effect on the dollar would be mitigated.

Earlier this year, several European countries moved quickly to cut interest rates when U.S. borrowing charges seemed to be on the way down. But in the past week, Europeans have reacted more cautiously. Analysts say that a key sign of intentions could come Thursday, when Bundesbank officials meet.

Stock-Index Futures in High Gear

(Continued from Page 9)
contracts on Wednesday. Volume had been running between 2,500 and 3,000 contracts.

The frenzy endured until the sound of the closing bells on Friday afternoon, giving all three exchanges their best weekly volumes since the beginning of stock index trading on the Kansas City Board in late February.

Timeline Entry

By the end of the week, exchange officials said institutions started entering the new market timidly, trying to lock in some of the week's gains in the equity market.

The September Standard & Poor's 500 contract ended the week, Friday by surging the last 100 points on the Merc to close at 114.25. More than \$1,000 S&P contracts were traded on the Merc last week, about double the pace of early summer.

In stock index futures, a buyer who expects that the stock average will improve agrees to purchase a contract that is worth \$300 for each point of the index. That means that a buyer on the Merc last Friday would have paid \$37,125 for a Standard & Poor's contract, based on the day's closing average of 114.25.

The investor would have to advance only \$5,713 as a deposit to

cover losses. The object for the investor in this case is to wait for the averages to improve and to close out a position at a profit. All settlements are made in cash on the expiration date of the contract, and no securities change hands.

Market analysts said that many professional traders, who still dominate stock index transactions, have expanded their earning power in the last few days. "A lot of people have made a lot of money in the last few days," said Steven Resnick, a senior investment strategist for Merrill Lynch, Pierce, Fenner & Smith.

Traders were drawn to the stock index market by the belief that trading in the stock market would improve dramatically, creating an atmosphere conducive to profit-taking.

"There was always the bearish group out there who still feel that the market has not reached its low point," said one trader on the Merc who asked to remain anonymous.

"Now there's a development of very strong bulls on the move," he added. The result, he said, has been the " crescendo" that last week produced the "dramatic swings that present the opportunity for making large sums of money."

John Blin, NYFE senior vice president, said that investors who bought contracts on Tuesday and sold them later the same day — as the professional traders do — would have made very healthy profits. An advance of three and a half points in the NYSE index would have given the investor a profit of \$1,750 (3.5 times \$500) on an investment of \$3,000, the margin required.

Mr. Blin calculated profits on a single contract on the Merc for that day would have been \$2,500 on an investment of \$6,000, while an investor would have realized \$3,000 through "day trading" on an investment of \$6,500 in Kansas City.

The frenzy of last week did not much to change the mix of investors. Few speculators — and even fewer institutions — have taken an interest in the contracts.

Options traders, trying to hedge their positions, are major players; so are the specialist firms of the New York and American stock exchanges; the traders also seek to protect their investments against wild swings in the market by hedging — making comparable investments anticipating declines in the indexes.

The Merc actually encourages trading among members to generate more volume than the competing exchanges. Generating volume is extremely important in the

first few months of a futures contract because the exchange with the largest volume usually draws all the business in that contract from the others.

But several industry officials are optimistic about the contract surviving at all three exchanges. One positive indicator for them they say, has been trouble the Chicago Board of Trade is having in offering contracts based on the Dow Jones averages. An Illinois appeals court last week blocked the Chicago board's plan, saying it would injure the good will of the Dow Jones name.

Exchange officials predicted that speculative and institutional interest in futures contracts will rise sharply in the next year as the investing public becomes more comfortable with the new instruments.

Meanwhile, they said, traders have developed strategies of intricate "spreads" and "straddles" between the three contracts to make them all visible, if not indispensable.

The products are so different and the markets are so different that all three contracts will survive and flourish," predicted Harold Bradley, director of marketing for the Kansas City exchange.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Hong Kong

HK & Shanghai Banking

6 Months 1982 1981 Profits..... \$15.0 69.0

South Africa

Anglo American

1st Half 1982 1981 Profits..... 88.0 56.0

De Beers Consolidated

1st Half 1982 1981 Profits..... 293.4 346.7

United States

Deere

3rd Qua. 1982 1981 Revenue..... 1,150 1,470

Profits..... 4.16 6.71

Per Share..... 0.04 0.99

Deutsche

Revenue..... 1,900 1,900

Profits..... 40.0 19.5

Per Share..... 0.49 2.97

West Germany

Schering

1st Half 1982 1981 Revenue..... 1,650 1,740

Belgian Prices Up in June

Brussels — Wholesale prices in Belgium rose 0.6 percent in June after an increase of 0.8 percent in May, the Economic Affairs Ministry said Tuesday.

Selected Over-the-Counter

Aug. 24

Closing NASDAQ Prices

Aug. 24

BOOKS

THE WHEAT AND THE CHAFF

By Francois Mitterrand. Translated from the French by Richard S. Woodward, Concilia Hayter and Helen R. Lane. Introduction by William Styron. 284 pp. \$16.95. Seaver Books, 333 Central Park West, New York, N.Y. 10025.

Reviewed by John Leonard

ACCORDING to the president of France, "I do not believe in fate or in inevitable disaster." And: "The mechanisms of the world are governed by simpler forces, that is to say disorder and chance." And: "France's game does not depend on just one deal." And: "I believe in the importance of De Gaulle, not in his necessity. A given situation produced him, not the opposite. Predestination is not part of history." Besides, "I put my politics aside when I change my politics."

Does this sound like a man who wants to be a president? Is his presidency itself accidental? Francois Mitterrand spent years babbling the French left until it grew up into a responsible Socialist party, and there is no doubt in his commitment to the nationalization of the means of production, his contempt for "the gold and insolence" of a ruling élite of big business and a power-greedy civil service, his devotion to certain concepts of social justice that have been updated since the first French Revolution and the first binge of Bonapartism. He is serious about class warfare.

But he also seems, on the evidence of this *pot-aux-jeux* of diary jottings, book reviews, pastoral rhapsodies, bemused speeches and letters to various editors, if not exactly a Hamlet, then the sort of person who would prefer dinner with Hamlet to a snack with Proudhon, walking under the walnut trees with Turgenev instead of meeting Lenin at the Finland Station. He likes the Charente, where he grew up, more than Paris, where he officiates, and traveling to foreign countries more than being interviewed on television.

Today, he will interview Pablo Neruda and read, on Neruda's recommendation, "One Hundred Years of Solitude" by Gabriel Garcia Marquez. He will happen to be in Madrid when Willy Brandt happens to be there with Günter Grass, who will happen to explain that "the potato had far more influence on the history of Germany than the Seven Years War ever had." He will think about Lamartine and Giono, Chekhov and Walt Whitman, Nietzsche and Rilke and Freud, while listening to the Greek composer Theodorakis. These are his genuine pleasures, the polemized anxieties of FNSEA, the national organization of French farmers, are his burdens. He is inclined to dream more than act.

He even dreams in books, as though the pages were carpets that flew away: Tolstoy, Pasternak. The way a word sounds is itself a locomotive force. He enjoys, for instance, the sound of Serbia, explaining: "I like its name like Borneo, Abyssinia and Labrador, without knowing exactly why. This power of syllables will seem a waste of time to many, but it is rare that poetry does not uncover earthy power." He is incisively literary, making fun of the relationship between socialism and communism — "the rabbit and the cobra" — and characterizing the multinational corporations as, simply, "Zorro."

I don't mean to suggest a dilettante, just a sensibility somehow anterior, if not superior, to politics. His superb portraits of De Gaulle, Mao Tse-tung and Golda Meir, of Lembit Brezhnev as "transitional man" and Henry A. Kissinger as the scholar gone banal, are literary, more art than anecdote. What he looks at is polished by the odd angle and the retracted light of his seeing: "Georges Pompidou intrigues me. I sense that he is exasperated at the notion of an ordinary destiny. His ambitions are higher than the chair upon which, it must be said, he sat without lowering himself."

It is perhaps then not surprising that one of the first acts of the Mitterrand presidency was the granting of French citizenship, long overdue, to writers as wonderful as Julio Cortázar and Milan Kundera. And yet this is a part of the Mitterrand puzzle: *Cortá-*

zaro and *Kundera* are the same.

At the same time, the writer of *La Chambre des possédés* is a man who has

had to learn to live with the *bourgeoisie*.

It is the same with the *ouvriers* and the *petit bourgeoisie*.

It is the same with the *élite* and the *populaires*.

It is the same with the *communistes* and the *socialistes*.

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OBSERVER

Rattling the Promises

By Russell Baker

NEW YORK — Politicians remind me of Marley's Ghost. Clanking about in Scrooge's bedroom, miserable and gloomy, the Ghost lamented, "I wear the chain I forged in life." Reflecting on President Reagan's present troubles, I fancy him roaming the White House moaning, "I wear the chains I forged in the campaign."

Most presidents acquire chains in their campaigns, of course, and so do less exalted politicians who find that happy talk has suddenly transferred them from the lecture podium, where everything sounds easy, to command centers where nothing seems to work. As a class, politicians are usually quick to shake off the shackles they forged to win votes, but Reagan has been slower than most.

Twenty months after his campaign ended he was still acting like a man who believed his own campaign promise to produce milk and honey by firing the beefeater and cutting the milkmaid's salary. "Voodoo economics," George Bush called it before his conversion to vice presidency stilled his talent for snappy phrasemaking.

Now that the president has done his best to make powerful juju, found that the magic doesn't work and done a backflip on tax policy, his conservative followers who believed in the magic are furious with him. It is a fine example of what can happen to a politician lacking the quick-change artist's skill at slipping out of his campaign promises and into something more comfortable.

Counted. We've had a lot of presidents in the past 50 years who could have given Reagan a lesson. Franklin Roosevelt — one of Reagan's idols, we are told — was one such. Roosevelt, believe it or not, campaigned on a pledge to balance the budget.

The case of Lyndon Johnson is even more startling. After a campaign in which he labeled his opponent, Sen. Goldwater, as a dangerous warmonger and presented himself as the father and mother of peace, Johnson waded into the Vietnam war on a scale that made it the longest and one of the nastiest in U.S. history.

By these standards, Reagan has been an arthritic slowpoke about shedding his campaign chains. If there were fairness and decency in politics, the conservatives now vilifying him for betraying his promises would instead be praising him for having stayed so long on a rough course.

But politics is not about fairness and decency; it is about finding yourself in a command center where nothing seems to work, and making a few things seem to work anyhow. It's this requirement that compelled Reagan to try his belated backflip on economic policy.

At the moment he may sense some danger of receiving poor notices from the historians because of the inflexibility with which he stuck to a radical economic idea that was powerful campaign medicine but always struck a lot of economic traditionalists as rhetorical snake oil.

The astonishing thing about the president is not that he changed course but that it took him so long. For faith-in-own-campaign-orator, he was a remarkable performance. Contrast it with John Mitchell's advice to the news media — watch what we do, not what we say — when Richard Nixon took office in 1969.

And even the Nixon people, who knew that campaign buff was some disposable junk on Election Day, lacked the forthright approach of the late Gov. Earl Long of Louisiana. Liebling reports that Long, immediately after being elected on a promise to cut taxes, sent the legislature a bill calling for a tax increase.

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"It was outrageous; no one would ever suspect it. We talked about the boat possibilities for awhile but I didn't want to get too tight with him right away." He asked around to determine whether the old man was "loose-lipped," then decided to go ahead.

Because both were "honor" inmates, they were allowed on the water. They decided on a kayak — a canoe with a sharp bow and

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Then